Daily Report

Latin America

FBIS-LAT-93-242
Monday
20 December 1993

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FBIS-LAT-93-242 20 December 1993

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Roundup of Latin American Reaction to GATT Agreement

PA1812042893

[Editorial Report] The following is a compilation of reports from Spanish-language media monitored by Panama Bureau through 17 December on Latin American reactions to the agreement reached in GATT's Uruguay Round of trade talks in Geneva. Source is cited in parentheses after each item.

South America:

South American governments on 16 December stated satisfaction for the successful conclusion of GATT's Uruguay Round of talks. Chilean Finance Minister Alejandro Foxley said that as a result of the agreement reached in Geneva, his country will have access to the world market paying low export duties. He said this agreement, when added to NAFTA, "will change the future and the potential of nations successfully exporting goods."

In Colombia, the government noted the importance of the document drafted in Geneva. Colombian Foreign Trade Minister Juan Manuel Santos predicted that developing nations will no longer be subjected to "arbitrary treatment from powerful nations."

Brazilian Foreign Minister Celso Amorin said his government finds the Uruguay Round's conclusion important because the agreement will strengthen the multilateral system and make unilateral actions difficult.

In Lima, trade experts said that the assignment of textile quotas in the European and U.S. markets will favor Peru in the long term. (Mexico City NOTIMEX in Spanish 0141 GMT 16 Dec 93)

Costa Rica:

On 15 December, Foreign Minister Bernd Niehaus described the GATT agreement as "a historic event that put an end to a seven-year struggle." Niehaus noted that the agreement is "a victory for the development of international relations and the international economy." (Hamburg DPA in Spanish 2200 GMT 15 Dec 93)

Ecuador:

Foreign Minister Diego Paredes has said that the culmination of the Uruguay Round will permit a rapid reactivation of international trade. He added that this will benefit the world's economy and, therefore, developing countries. He noted, however, that the final agreement does not meet all the expectations engendered seven years ago by the Punta del Este Declaration. (Quito Voz de los Andes in Spanish 2300 GMT 17 Dec 93)

Guatemala:

Agriculture Minister Luis Arturo del Valle on 16 December discussed the GATT agreement by noting that Guatemala hopes "barriers imposed by the industrialized countries are brought down as a result of it." He added: "I think the agreement represents an important step." (Panama City ACAN in Spanish 1804 GMT 16 Dec 93)

Guatemalan Foreign Minister Arturo Fajardo has reported that Guatemala will soon appoint a special ambassador to the final session of the Uruguay Round. Fajardo said that next year the Foreign Ministry will appoint a person knowledgeable in GATT affairs as Guatemala's special ambassador to GATT. He said: "For countries such as Guatemala, the most important aspect of the GATT agreement will be the establishing of clear trade rules." He noted that GATT "should serve as a tool by which our countries may, through joint actions, defend our trade interests in the face of larger economic forces." (Guatemala City Teleonce Television in Spanish 0350 GMT 17 Dec 93)

Honduras:

Deputy Foreign Trade Minister Oscar Nunez on 15 December told NOTIMEX that the benefits of the successful conclusion of GATT's Uruguay Round of talks will spread throughout the developing world. He said: "The industrialized countries will reduce their customs duties by almost 40 percent, while developing countries will reduce them by 25 percent." (Mexico City NOTIMEX in Spanish 2227 GMT 15 Dec 93)

Panama:

Luis Barraza de Freitas, president of the Trade Union of Panamanian Industrialists, said on 15 December that Panama must view the GATT agreement with reservations because the "countries that produced the agreement want to dump their surpluses in our nations." Meanwhile, Dario Selles, president of the National Council of Private Enterprise, thinks the final GATT document will be "positive" for Panama. (Panama City LA PRENSA in Spanish 16 Dec 93 p 17)

Enrique Betancurt, executive director of the Panama City-based Union of Banana Exporting Countries, said on 16 December that the Final Act of GATT's Uruguay Round "is one of the most important agreements reached this year in favor of the development of the world's economy." (Panama City ACAN in Spanish 1815 GMT 16 Dec 93)

Peru:

Three Peruvian deputies, Celso Sotomarino, Gustavo Garcia, and Francisco Tudela, have said that the signing of the Uruguay Round will benefit Peru because markets will be opened and protectionism will end. (Lima Global de Television Network in Spanish 0100 GMT 17 Dec 93)

Latin American Nations React To EC Banana Proposal

PA1712235293

[Editorial Report] The following is a compilation of reports from Spanish-language media monitored by Panama Bureau through 17 December on reactions to the recent nonbinding agreement reached with the EC by Colombia and Costa Rica, on behalf of all Latin American nations, on European banana import restrictions. Source is cited in parentheses after each item.

Colombia:

The Colombian Government has expressed satisfaction over the agreement reached with the EC on the sale of bananas. The agreement will now be incorporated into GATT negotiations. The accord was negotiated with the EC by Colombia and Costa Rica, which were representing the rest of Latin America. Colombia's share of the regional banana export market is 22 percent, equivalent to about 470,000 tons of annual banana exports. (Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 15 Dec 93)

Costa Rica:

Costa Rican President Rafael Angel Calderon Fournier announced on 15 December that he will call a meeting of Latin American banana exporting nations to study the latest EC proposal on European banana imports. There is a one-month deadline for replying to the proposal. The EC has offered to increase the ceiling imposed on Latin America's share of European banana import licenses from 35 percent to 67 percent of all banana import licenses. It also has offered to raise the region's import quota by 10 percent in terms of overall annual EC banana imports. Calderon insists there must be unity among producing countries to ensure fair treatment in the world market. (Mexico City NOTIMEX in Spanish 0034 GMT 16 Dec 93)

The Costa Rican Chamber of Banana Producers has expressed satisfaction over the agreements reached by Latin American negotiators with the EC to make current banana market conditions more flexible. Costa Rica is the world's second largest banana exporter and is a member of both GATT and the UPEB (Union of Banana Exporting Countries). (Panama City ACAN in Spanish 0036 GMT 17 Dec 93)

Honduras:

On 15 December, Honduras rejected the EC's latest proposal to increase its quotas on banana imports from Latin America by 10 percent. In exchange, the EC is demanding the region withdraw a lawsuit filed with GATT against EC trade barriers. Deputy Economy Minister Oscar Nunez argued that the offer would translate into a 6.8 percent annual quota for Honduras, or approximately 12,000 40-pound boxes of bananas a year; a quantity equivalent to the amount of bananas Honduras currently exports to the EC. Nunez also says he believes Honduras will become a member of GATT by 27 January. (Paris AFP in Spanish 1930 GMT 15 Dec 93)

Ecuador:

Ecuadoran banana exporters are unhappy with the agreement negotiated with the EC by Colombia and Costa Rica, which assigns new banana import quotas to Latin American nations. Ecuador, the world's largest exporter of bananas, was assigned a 20.2 percent share of Latin America's overall 1994 quota of 2.2 million tons. The EC proposal would give Costa Rica 23.4 percent of the region's overall quota; Colombia, 22 percent; Panama, 19.7 percent; Honduras, 6.8 percent; and Nicaragua, Guatemala, and the remaining Latin American nations, 21 percent. In exchange for new EC quotas, Colombia and Costa Rica agreed to withdraw a lawsuit lodged with GATT. Ecuador is not a member of GATT. (Madrid EFE in Spanish 1924 GMT 15 Dec 93)

Panama:

Speaking at UPEB headquarters in Panama City, UPEB President Enrique Betancurt said Latin American banana exports to Europe dropped by about 700 tons in 1993 because of EC import restrictions. He added that some trademarks sold 18 kg boxes at $3, which does not even cover costs. This same box sells for between $6 and $15 in other international markets. Betancurt added that he is awaiting GATT's ruling on the region's lawsuit in the dispute, and he said he hopes GATT declares the EC restrictions illegal. He said the EC is tricking Latin America into withdrawing the lawsuit in exchange for negotiating the quotas. (Paris AFP in Spanish 2113 GMT 15 Dec 93)

UPEB President Enrique Betancurt termed the European Union's offer to increase purchases of Latin American bananas by 10 percent "squalid, minimal blackmail." The offer is conditioned on the region's withdrawal of a lawsuit against filed with GATT against the EC. (Mexico City NOTIMEX in Spanish 1804 GMT 14 Dec 93)

Cuba

Government To Meet With Exile Community in 1994

FL1912223193 Havana Tele Rebelde and Cuba Vision Networks in Spanish 1700 GMT 19 Dec 93

[Text] When Foreign Minister Roberto Robaina visited New York a few months ago on the occassion of the UN General Assembly debates, he met with a group of Cubans who live in the United States. In that meeting, the idea of conducting a dialogue in the first half of 1994 was proposed.

[Begin Alicia Torres recording] This meeting could begin to define the important issuese for the diverse sections within the [exile] community and those issues Cuba might wish to discuss with the community—in other words, an attempt to define the Cuban-American agenda. [end recording]

According to Cuban authorities, in the 1994 meeting, which will not be the first—there was a similar meeting in 1978—all those who might not share revolutionary politics but are interested in the national reality will meet. Therefore, those who do not truly wish to talk with Cuba or are tied to terrorist groups are excluded.

What benefits might come out of this meeting?

[Begin Torres recording] There are issues such as immigration problems, family visits and aid to relatives, and communication between families. The younger sectors of the Cuban exile community are also interested in knowing about their country of origin. I do not believe that this meeting will really have to do with U.S. policy toward Cuba but with [words indistinct] to try to find a solution. [end recording]

Although the pressure of right wing Cuban groups in the United States to block any gesture of solidarity with Cuba is mounting, the number of those who advocate keeping ties with Cuba in accordance with the present and who recognize the legitimacy of the Cuba Government is increasing.

Democratic Platform Sets Terms for Government Talks

PA2012124493 Madrid EFE in Spanish 1750 GMT 18 Dec 93

[Text] Madrid, 18 Dec—In response to a "vague proposal" along those lines recently made by Cuban Foreign Minister Roberto Robaina, the Madrid-based Cuban Democratic Platform (PDC), which seeks a peaceful change in Cuba, set its conditions today to participate in a dialogue with the Cuban Government.

In a statement released in Madrid today, the PDC set five conditions to participate in the meeting with the "groups of immigrants" which, according to Robaina, the Cuban Government wants to hold in the first half of 1994./The PDC consists of the Cuban Liberal Union, the Democratic Social Coordinating Board [Coordinadora Social Democrata], and the Christian Democratic Party.

For the PDC, which reiterates its commitment to "seek a state of law in Cuba through peaceful means," that meeting above all must be "a dialogue between the Cuban Government party and the democratic opposition's political parties and organizations." The meeting must also represent "a first step toward national reconciliation, which implies that the Government will renounce political repression and the opposition will renounce any desire for revenge." It will also require "a genuine effort" from the two parts to "establish the bases for a peaceful transition toward a pluralist democracy."

Last, it must be a debate in which "the true peaceful opposition, both at home and abroad" will participate, and it must have "the presence of legitimate international observers who can guarantee a substantial process." In addition, the meeting must be held "with its sights aimed on the future, not on the past." The final goal of the meeting must be the launching of "a process that will lead to a legitimate pluralism, the Cuban people's true exercise of sovereignty, and an irrenounceable commitment to national independence."

The PDC refined its position further by naming five things the meeting should not become. It must not become "a meeting in which only the government and individuals chosen by the government participate, individuals who will be acting only on a personal basis in an attempt to make the world believe that there is a political opening with a 'presumed opposition' unofficially fabricated by those who are wielding power."

The meeting also should not be "a trap to give a feeling of opening and tolerance while the jails continue to be crammed with prisoners, human rights violated, and a monopoly held on power, communications, and freedom of expression."

The PDC would reject a meeting if it were "a farce to give the impression that a search is on for real solutions when all that is being sought is to hush up certain criticisms without delving into the depths of the national crisis" or if it were "a monologue in which the alleged opposition sectors merely echo the regime's sole voice and the international observers are merely sympathizers of the Cuban regime."

The PDC closes by saying that the meeting cannot be "a deception, by using the pretext that one has to 'save the revolution' to ignore the true values of the 'project for the Cuban nation' because it is the nation that is in a crisis and this fact is what should guide our every attempt at finding a way to save the fatherland."

Castro Attends Science-Technology Forum Discussions

FL1712165993 Havana Radio Reloj Network in Spanish 1503 GMT 17 Dec 93

[Text] Commander in Chief Fidel Castro, president of the councils of State and of Ministers, is participating in today's Eighth Science and Technology Forum meeting, which is under way at the Convention Center in this capital. The energy program, spare parts, and defense constitute the basic topics for this morning and this afternoon's discussions. The event will be concluded tonight.

More on Castro Attending 16 Dec Forum

FL1812023393 Havana Cuba Vision Network in Spanish 0100 GMT 17 Dec 93

[Excerpt] The afternoon session of the Eighth Science and Technology Forum turned into an ecology meeting when the use and development of biological fertilizers was discussed in light of the difficulties experienced in importing them and as a means to attain a sustainable agricultural development.

[Begin recording] [Unidentified speaker] We have heard some delegates talk about azc`obacter, [words indistinct] which are some elements that we are using to increase our agricultural production. We can produce this fertilizer locally. This is very important because it helps us replace all those imports that must be paid for in dollars. Many times, making these products locally helps us save on raw materials.

[Castro] Organic material has biological or microbiological effects on the soil. There are advantages in using organic material. This cannot be done with chemical fertilizers. The use of organic material enhances the work done by microorganisms on the soil. An organic fertilizer is better than a chemical fertilizer, even though we must complement its use. There are some products like sugar cane where we must use chemical fertilizer. It is almost impossible to replace the use of chemical fertilizer for organic material.

You also mentioned something else. More and more people are inclined toward the use of natural products because everyone fears the presence of chemicals in the food. This fear has not reached the Third World countries. The people in the Third World must use chemical fertilizers to get the most out of their crops. There are new varieties of rice, corn, and other products that need chemical fertilizers. These varieties will not grow with the use of organic material alone. However, this does not contradict what you are saying which, is very important. [end recording]

It has become evident that much progress has been made since the last forum. Since then, measures have been implemented to control the quality of biological fertilizers and research centers have worked hand in hand to develop various projects.

[Begin Adolfo Martinez of the Basic Research in Tropical Agriculture Institute recording; identified by caption] At this moment, the Basic Research in Tropical Agriculture Institute [Inifat] and the Citrus Research Center are working on the use of azotobacter on citrus products. This is a joint project. We have been working on this for the past two years. We have not completed it, however, we hope that the technique will be applied shortly. [end recording] [passage omitted]

Castro Discusses Marketing Potential, Energy

FL1712225093 Havana Radio Rebelde Network in Spanish 1800 GMT 17 Dec 93

[Text] The two days of plenary sessions of the Eighth National Science and Technology Forum conclude today with Commander in Chief Fidel Castro in attendance. The participants in this meeting of imagination and talents focused on the energy program, defense, and spare parts on this day of work, the fourth and last.

Upon making his report on basic industries, Eugenio Maynegra, chief of this sphere within the Central Committee of the Communist Party of Cuba, made it clear that the thermoelectric plant continues to be the foundation of our national system of electrical energy generation. He also defined cane chaff and other kinds of organic products as constituting renewable sources of energy—in addition to hydroelectric power—with a broad range of uses, these latter sources basically being in agricultural communities.

Yesterday, during the analyses of the biotechnology and pharmaceutical industries, our commander in chief asked the scientific organizations to shape their actions in such a way as to become sources of hard currency for the national economy.

For their part, the research centers are seeking to open themselves up to new markets. Let us listen to Fidel's dialogue during today's plenum on this specific issue with the director of the Genetic Engineering and Biotechnology Institute.

[Begin recording] [Director, no name given] We think that it would be stimulating for these institutions, based on what they are capable of selling, to be given a percentage that would be equivalent to the minimum they must have in order to be able to guarantee that that which was sold is produced adequately—and, at the same time, for that to promote the possibility of continuing to carry out these commercial activities.

Certainly, we know this is a problem of interest to the national leadership which has made great efforts, but it is necessary to give it more priority.

[Castro] This cannot be implemented as a general principle because certain research centers do not have commercial resources.

[Director] That is right.

[Castro] Their research benefits science and Cuba in general. The pharmaceutical industry will be one making products and using the result of that research. Not all research centers will commercialize things, only some of the new centers. I will give you an example: IPK [not further identified] does not have many marketing possibilities. Unless we give these centers resources for their work, they cannot depend on marketing or production. The situation of the Fernandez Yero [not further identified] is unique as well as that of the National Center for Scientific Research [Cenic], and yours, and Conchita's [Politburo member Concepcion Campa Huergo]. The Finlay Institute has made important contributions. I have to clarify this since I said that is was time to make contributions. With very little resources, the Finlay Institute has given very important contribution to Cuba's economy. [end recording]

[Havana Radio Reloj Network in Spanish at 2032 GMT on 17 December reports: During the closing address of the morning session of the Eighth Science and Technology Forum being held in Havana, Fidel spoke about the possibilities of the Sugar Industry Ministry to be energy self-sufficient and also be a source of energy to the national energy system. He stressed that although the mills have been modernized, this has not resulted in higher productivity and work stability independently of the many highly valuable workers in the country. He also pointed out that we have to achieve higher efficiency with boilers as well as in the operation of turbo generators. Commander in Chief Fidel Castro, during one of his comments to the plenum of the Eighth Science and Technology Forum, stressed that there have been years when Cuba spent 500,000 tons of fuel in sugar production—something that no longer takes place.]

Castro Discusses 'Sabotaged Products, Corruption'

FL1712160693 Havana Radio Progreso Network in Spanish 1200 GMT 17 Dec 93

[Report by Ena Domech and Eduardo Gonzalez]

[Excerpts] [Gonzalez] The meetings of the plenary session of the Eighth Science and Technology Forum are continuing today, and we are getting ourselves ready to report on it directly from the Convention Center.

[Domech] Yes, as we reported yesterday, Fidel participated in all the discussions on all topics broached: the matter of services vital to the population, the food program, biotechnology products production, the pharmaceutical industry, and high-tech medical equipment.

[Gonzalez] Let us play an excerpt from Fidel's statements for our listners now. Want to?

[Domech] Agreed.

[Begin Castro recording] But I say: Now we must concentrate not so much on making new investments as on consolidating what we have, finishing up with certain investments that we are making, and then concentrate on the battle to market these products. That is what I say: that we have to begin not by spending on investments. That does not mean that this will not happen because we are constantly discovering bottlenecks. But just look at what Carrillo [not further indentified] was explaining; that, thanks to certain innovations they [not further identified] double.

What had to be invested there in order to reach 200,000 is much less than what has to be invested now. But we have a number of plants under construction that still require a certain amount of investment, such as the insulin plant, or the injectable products plant, and a number of other such plants. These do not require big investments but, rather, follow-up investments. Bottlenecks will always crop up. There will always be some new machine needed. But these are not very big investments.

That is what I want to say, so that no one will feel too hurt. Concerning the area of science, I say that all situations are not the same; that not everything has the same potential; that certain scientific institutions have made very important contributions to the economy. It can be said that what has been sold in certain of these areas, some of these sabotaged products, practically pays for all the investments we have made over the past few years in the pharmaceutical industry. It defrays their costs.

What might things be like if there were not this terrible blockade and these terrible pressures? Because, gentlemen, there is something more than pressure.

I do not want to speak. I do not want to talk about how this world of commerce works; nor do I want to talk about how much money changes hands here and there when it is a matter of sabotaging our products.

It would be well worthwhile, in this world, and in fact would be terrific...[pauses] I think that more important than a vaccine against cancer, even, would be a good vaccine against corruption! [applause] [end recording] [passage omitted]

Science and Technology Forum 17 Dec Report

FL2012010393 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 18 Dec 93

[Report by Jose Luis Rumbaud at the Convention Center in Havana]

[Text] After intense debates, at first in committees and since yesterday in plenary session at the Convention Center, the over 1,000 delegates and guests attending the Eighth Science and Technology Forum are now winding up the event, which has been attended by Commander in Chief Fidel Castro.

[Begin recording] [Rumbaud] Will the cogeneration of electricity by the sugar mills eliminate the fuel deficit, or, which is the same thing, put an end to the power outages?

The plenum of this Eighth Science and Technology Forum is convinced that Cuba will be able to pull out of the special [period] thanks to sugar by increasing electrical power generation efficiency; installing a number of turbo generators that are lacking; and making only 80 percent use of them. [as heard] By using bagasse and cane chaff effectively, plus applying novel and totally viable innovations, the electrical energy coming from our prime industry could make up for the fuel deficit and put an end to the bothersome power outages.

[First unidentified speaker] Among the four most significant results we could obtain are, first, that several provinces—Las Tunas, Ciego de Avila, and Camaguey—could be approximately 80 percent self-sufficient in electricity during the 140-day harvest period. And I am talking about the energy consumption of the entire province during the harvest period. Some 60 percent of that consumption could be attained in the provinces of Cienfuegos, Villa Clara, and Matanzas. The rest of the provinces, with the exception of Guantanamo, could rely on self-supply at a percentage never less than 25 percent.

The second advantage that we would obtain: The Ministry of the Sugar Industry [Minaz] would become totally self-sufficient during harvest periods, just by taking 60 percent advantage of the turbo generators it possesses and turning over the rest to the national network.

Third: Close to 40 municipalities would meet their total electricity needs during the harvest period without having to take any from that supplied by the thermoelectric plants and another 59 could do so to a degree of between 30 and 80 percent. Thus, the energy deficit that provokes our very long power outages would practically be covered.

[Rumbaud] The experiences of several different sugar mills promoted discussions about catching up quickly as regards the ground lost in the past few years. Not enough has been plowed back into the sugar industry for modernization of the industry.

[Castro] How, for example, can growth be explained? What were the determining factors in the growth of electricity consumption in the network?

[Member of the PCC Central Committee Eugenio Mainegra] First of all, because before the mill stood alone. There were no collection centers, no centers for cleaning. This all has now been incorporated.

Furthermore, by industrial improvement in equipment that was installed. That is what has thrown off the energy balance. Motors are introduced. Different kinds of industrial installations are introduced in order to increase industrial efficiency. But energy efficiency gives way, and, in our opinion, even economic efficiency.

[Second unidentified speaker] When the Revolution triumphed, we had 576 machines installed, with a total capacity of 311 megawatts. And that produced 391 gigawatt-hours a year [as heard], which was enough to supply the immense number of small steam machines. There was a real dehumanization back then, in the different operations. To work in the sugar industry back then was a real phenomenon, from the point of the view of personal effort and the things the workers had to do in order to be able to get different things done.

[PCC Politburo member Pedro Ross] And I think that it is there that we should apply all our talent, energies, and determination to correct things, from the top Minaz leaders and leaders of the workers movement down to the last worker, from those work groups where efficiency has still not been reached, so as to be able to thank the country for what it has done in terms of, as was said here, humanizing the work and improving working conditions. But not only have investments been made with a view to improving working conditions and making them more humane, but also with a view to being more productive.

[Rumbaud] In their speeches, representatives of the nation's sugar mills critically assessed the problems and concluded that the solutions to these problems lie in the hands of men.

Despite the analytical critique of the energy situation in the sugar industry, in 1993 more was done than in the preceding five-year period, for 24 new turbo generators can now operate in this harvest.

The subject of efficiency continued with a discussion of magnetization as a factor in saving energy, and before concluding, the director of the Carlos Manuel de Cespedes Thermoelectric Plant in Cienfuegos reported to the plenum.

[Third unidentified speaker] In fulfillment of a commitment we had made to the leadership of the PCC in this province, to Comrade Maynegra, to finish remodeling of the San Blas mini-hydroelectric plant, its coil has been finished at a mechanical plant. It has now been finished. We can say today that the equipment ran yesterday in test mode. The system was resynchronized and reached a one megawatt-hour charge.

[Rumbaud] The energy program topic was followed by the no-less-important topic of spare parts. [end recording]

Jordan Notes UBPC Profitability

FL1712181593 Havana Radio Progreso Network in Spanish 1200 GMT 17 Dec 93

[Text] Today, the first day of meetings of the plenum of the Eighth National Science and Technology Forum focused its attention on key topics for the population, such as services to the population and the food program. [sentence as heard]

Approximately 1,000 delegates attended the forum's first day at the Convention Center, where, in the presence of Commander in Chief Fidel Castro, the results in the

aforementioned areas were analyzed. Domestic and commercial refrigeration was also discussed.

The innovations and modifications applied to Cuba's (Piquer) stoves to make them more efficient and safe were also discussed, as was the great number of bicycles being produced in the nation's factories. Concerning the food program, the meeting began studying the matter with an examination of organic fertilizers.

During one of the instances when he spoke, Agriculture Minister Alfredo Jordan argued that the Basic Cooperative Production Units [UBPC] are giving evidence of their profitability, despite the short time they have been in existence.

For his part, ANAP [National Association of Small Farmers] President Orlando Lugo spoke about cattle-raising cooperatives, pointing out the low cost, per cow, of producing a liter of milk at such cooperatives.

For his part, Dr. (Gustavo Sierra), vice president of the Finlay Institute, explained details of the current vaccine production and development situation. Twenty-three specialized centers are involved in producing and developing vaccines. (Sierra) said the biotechnology program in this sphere is pursuing production of vaccines for the immunization of the population and also to be able to offer this valuable product on the external market with a view to bringing in hard currency.

Castro Closes Forum 17 Dec

FL1812164493 Havana Radio Progreso Network in Spanish 1100 GMT 18 Dec 93

[Text] In the closing speech made by our Commander in Chief Fidel Castro, he talked about the work of the Armed Forces at this Eighth Science and Technology Forum, highlighting the preservation of the weaponry and materiel, as well as the solutions contributed—as much those having to do with the defensive capability of the troops as those having to do with the population in general.

[Begin Castro recording] It was really impressive to listen to the comrades from the Armed Forces and Interior Ministry! You know that long lines of ships used to arrive in this country every year, and every five years, carrying spare parts, munitions, weapons, mortars; with all kinds of materials that the Armed Forces used to receive, including their shoes, their clothing, and, having to use sophisticated armaments, [words indistinct] have those armaments in a well-preserved condition.

[Passage indistinct] the anti-aircraft weapons and all the [words indistinct]. Someday we will have to have it be recounted that our Armed Forces and our Interior Ministry were capable of maintaining that war materiel in top shape and combat readiness. Tanks and planes and cannons and radar and ships! Such complicated things! When [words indistinct] have not come for years! How did they manage to do it?

Well, it is truly a great feat and a great proof of spirit on the part of our people and our Armed Forces, which are our people in arms. [end recording]

Fidel made statements in which he alluded to the natural disasters we have suffered during this special period, which have affected our principal production programs. He stressed, however, that one day history will record all the values we are defending through this gigantic national sciene and technology forum.

[Begin Castro recording] And we are not standing by with folded arms. Instead, in the middle a (?ferocious) blockade, we are making every effort to overcome that special period, to overcome the obstacles I was talking about yesterday, the obstacles imperialism places in our path so as to obstruct our efforts ' negotiations, and initiatives; with a view to sabotaging everything, from the development of tourism to the development of biotechnology and the pharmaceutical industry to the market for all those products!

We are not standing by with folded arms. We are doing a lot of work in certain extremely important areas, such as the energy sphere. We are looking for fuel. We have reached agreements with different foreign companies for searching for oil employing the most advanced of means, techniques and equipment, so as to poke around throughout the national territory, and, if there is any oil, find it and take it out of the ground without wasting a minute! And prospects do exist. One good proof of this is that this year we will have produced the greatest amount of oil (?to date): 1.1 million tons. This oil is still, to a great extent, heavy oil. And that is the kind of oil we have to send to the thermoelectric plants or the cement plants, for example, and it is quite corrosive and obliges us to protect the boilers and other installations. Nevertheless, we have not lost hopes of finding lightweight oil. There is a lot of area to explore. We are now searching for oil with that seismic equipment that is the lastest word in the area of searching for oil, quickly.

The blockade has not been able to prevent our reaching agreements with certain companies, nor has it been able to prevent us from making rapid progress in search of a solution to our greatest weakness: fuel. Here, quietly but very persistently and with great urgency, we are working on seeking medium-term solutions, as medium-termed as possible, as regards fuel availability. [end recording]

DPRK Delegation Visits Santiago de Cuba

FL1712230493 Havana Cuba Vision Network in Spanish 0100 GMT 17 Dec 93

[Text] The high-ranking DPRK military delegation, headed by Navy Commander Kim In-chol, arrived today in Santiago de Cuba. The visit is part of their official visit to the island as guests of Army General Raul Castro Ruz, which began on 14 December.

The DPRK delegation was accompanied by Cuban Rear Admiral Pedro Perez Betancourt, chief of the Cuban

Revolutionary Navy. While in Santiago de Cuba, the DPRK delegation visited sites of historic and economic interest. At the request of the delegation, Siboney farm was their first stop. They also visited Baconao Park and the 26 July Museum. Colonel Chac Song-su, former military attache at the DPRK Embassy in Havana, said this visit will strengthen the ties of friendship between the armed forces of the two countries. The DPRK delegation also will visit several other provinces throughout the country. The DPRK delegation will be in Cuba until 25 December.

Head of Korean Navy Visits, Tours Guantanamo Border Brigade

PA1912165693 Havana Radio Havana Cuba in Spanish 0000 GMT 18 Dec 93

[Report by Leonel Perez Moya]

[Text] At the conclusion of a visit to the Antonio Maceo Border Brigade, which is charged with guarding the border around the Yankee naval base which is usurping a piece of Cuban land at the entrance of Guantanamo Bay, east of Havana, Korean Admiral Kim In-chol told the media: Our visit aims to strengthen our friendship.

Kim In-chol said that relations between the two countries are based on the profound ties between DPRK President Kim Il-song and Fidel Castro Ruz, leader of the Cuban people. These relations are so important and strong, the Korean Navy leader said, that they cannot be altered by any change in world events. He said that the continued efforts of the world's peace-loving nations to rid Guantanamo Bay of the imperialist U.S. military enclave it has there, which the Cuban people oppose, is needed.

Kim In-chol said that as a result of his tour and contact with the border brigade, he was able to reverify that Yankee imperialism is aggressive and evil and represents a threat to the security of nations.

The Korean delegation visited Malones Hill, an observation post that provides a clear view of the U.S. military installation, the progenitor of provocations and aggressions against Cuban sovereignty.

Brigadier General Jose Solar Hernandez, commander of the Revolutionary Armed Forces in the Guantanamo region, informed the Korean visitors of the many disrespectful actions committed by U.S. Marines against the undefeated border patrol troops, the defenders of Cuban sovereignty.

Rear Admiral Pedro Perez Betancourt, Cuban Navy commander, and Colonel Jose Reyes Chacon, commander of the Border Brigade in Guantanamo, escorted the Korean delegation through its Guantanamo tour.

Electricity Union Official on Power Situation

FL1712213993 Havana Radio Rebelde Network in Spanish 0000 GMT 17 Dec 93

[Interview with Jorge Carballo Abreu, director of the Load Distribution Office of the National Electric Union, by Radio Rebelde mobile unit correspondent Felix Fernando Garrido, in Havana—live]

[Text] [Garrido] Today's topic will be electricity in the country. We know that lately the number of outages has surpassed the scheduled outages. We want Jorge Carballo Abreu, director of the Load Distribution Office of the National Electric Union, to tell us his views of the situation. Good evening Carballo, we are listening to what you have to say with much interest.

[Carballo] Good evening, Garrido. As you have heard, the electricity situation in the country has worsened since the Antonio Guiteras Thermoelectric Plant was shutdown for maintenance. When the plant was shut down the people were advised that a new schedule for outages would be implemented. This new schedule was based on the country's power availability following the shutdown. At present, all our thermoelectric plants are operational, that is, Mariel, (Taga Piedra), Regla, Santa Cruz del Norte, Cienfuegos, Nuevitas, and Santiago de Cuba. Some of these plants have some of their units shut down, but all the thermoelectric plants are operational except for the Antonio Guiteras which was shut down for maintenance. The Antonio Guiteras Thermoelectric Plant is the largest in the country and produces approximately 300 megawatts, which are not available at this moment.

In the past few days, because of problems at some thermoelectric plants and because of the beginning of the sugar harvest, we have experienced a drop in electricity availability and, at the same time, an increase in demand for electricity. For these reasons, the outages in the past few days have surpassed those scheduled. For example, I can tell you that at this very moment we need an additional 700 megawatts. This is more or less the situation we are facing currently.

[Garrido] From what you have just said, we gather that the Antonio Guiteras Thermoelectric Plant in Matanzas is important in order to increase the production of electricity and lower the number of outages. Will the outages be reduced once the Antonio Guiteras plant is linked up to the national network?

[Carballo] As I said earlier, the Antonio Guiteras is a thermoelectric plant that generates exactly 330 megawatts of electricity. Today we need an additional 700 megawatts. If the Antonio Guiteras plant were operational, we would only need an additional 370 megawatts. This gives you an idea of how important the Antonio Guiteras plant is to reduce the number of outages.

[Garrido] Will the daytime and nighttime outages continue?

[Carballo] Once the Antonio Guiteras plant is operational there will be a substantial reduction in the number of outages. Some measures are being implemented at the other thermoelectric plants that should allow us, by the end of the year and once the Antonio Guiteras plant is operational, to increase our electricity availability. Our goal is to reduce, to the minimum, the daytime outages. A nighttime reduction is practically impossible. Even though the Antonio Guiteras has a large production capacity, our electricity deficit continues to be high and it will be practically impossible to eliminate the number of outages at night. They may be reduced, probably by 50 percent, once the Antonio Guiteras plant is operational.

[Garrido] It is obvious that the Antonio Guiteras is a very important thermoelectric plant; therefore, tomorrow we will continue this interview. We will talk about the Antonio Guiteras plant, how the maintenance work is going, and what is being done. We also will also find out when the Antonio Guiteras plant will be linked up to the national network. We will interview the Antonio Guiteras Thermoelectric Plant director.

Thank you for being here. We will continue discussing this topic tomorrow.

[Carballo] Yes.

Antonio Guiteras Plant Maintenance Completed

FL1812144493 Havana Radio Rebelde Network in Spanish 0000 GMT 18 Dec 93

[Telephone interview with Jesus Valdez Torras, director of the Antonio Guiteras Thermoelectric Plant in Matanzas, by Radio Rebelde mobile unit reporter Felix Fernando Garrido in Havana—live]

[Text] [Garrido] We are bringing you this telephone interview because we are all interested in learning how the maintenance work is going at the Antonio Guiteras Thermoelectric Plant in Matanzas. This plant is very important for our electricity network. This plant can produce up to 330 megawatts. The work being done at the plant has much to do with the outages we are experiencing. As you all know, we are experiencing more outages than originally scheduled.

We have Jesus Valdez Torras on the line. Can you hear me Valdez?

[Valdez] Yes I can.

[Garrido] Good evening. How are you?

[Valdez] Good evening Garrido.

[Garrido] I have already provided the audience with a brief introduction. You have the information and the details and our listeners would like to know how the maintenance is going at the plant since this will represent a reduction in the number of outages we are experiencing and which harm our country's economy. We are listening to you.

[Valdez] I can inform you that the maintenance work has been completed. We are now testing the equipment.

[Garrido] When did the testing begin?

[Valdez] We began testing today. We have been testing the equipment all day. We are now preparing to turn on the boiler. This will probably be done some time tonight or early tomorrow morning.

[Garrido] Great. Will this....

[Valdez interrupting] If all goes as scheduled, and according to the plan, we will be testing the whole system tomorrow morning. After that we will test the boiler, the check valves, and the turbines, and tomorrow night or early Sunday morning we may link up to the national network.

[Garrido] Valdez Torras, how long does it take to charge up the equipment? Can it take up to 30 hours?

[Valdez] That depends on the equipment. This will depend on the tests we are running. We hope it will all go smoothly and that we will have no problems. We have worked precisely to avoid problems during the test period.

[Garrido] So if all goes well and if you have the fuel you need, you will be working at your maximum capacity?

[Valdez] Once the machinery is synchronized loading it will take perhaps an hour or two. That depends on the system and how ready it is to receive the load. Only hours after we start the plant up we will then be ready to supply the system with 330 megawatts.

[Garrido] How reliable is the work done? Will it last a long while?

[Valdez] We have done a thorough job. We have set ourselves a goal. This year we remained linked to the national network for 85 straight days. This time we plan to remain linked to the network for 120 straight days. We have worked to ensure this. The maintenance job was done to ensure that nothing unforeseen occurs. The equipment we use is very trustworthy. It has a 94 percent reliability. We hope to match our record in 1994.

[Garrido] I would also like to ask you about the men who worked at the plant. I understand they were not all from Matanzas Province.

[Valdez] That is correct. To do this work in record time and thoroughly we had to ask for the help of maintenance crews from Cienfuegos and Havana. They worked together with the Matanzas maintenance workers. This joint effort has made it possible for us to link up to the network by Sunday, several days ahead of schedule.

[Garrido] We do not want to build up hopes. We talked to Ricardo [not further identified] and Jorge Carballo Abreu [director of the Load Distribution Office of the

National Electric Union] and they told us that there is a possibility that once the plant is fully operational the outages will be reduced.

[Valdez] That is not my job. All I have to do is make sure that the plant is operational. This plant creates more than 20 percent of the needed electricity. This plant, with good maintenance, represents a solution to the electricity problem the country is having. This will be evident in the next few days.

[Garrido] I am sure that once the daytime outages are reduced the people will be happier because the outages are currently affecting the people and the economy. These outages currently affect more than two million homes. Thank you Valdez for your information and allow us to congratulate your workers for their outstanding job. Thank you.

PRC Closes Out 1993 Aid Year

FL1712231193 Havana Radio Rebelde Network in Spanish 1800 GMT 17 Dec 93

[Text] During 1993, the PRC provided significant aid to Cuba worth approximately $2 million. The arrival in Cuba, a few days ago, of a donation of canned food and medicine worth $920,000 as part of the response by the Chinese Government to help recovery from the damages caused by the storm of the century closes the PRC's donations to Cuba for 1993. This donation was preceded by other donations of food, school and office supplies, bicycles, and telephone equipment worth $1.253 million.

During a news conference held on 17 December, Chinese Ambassador Xu Yi-cong stressed the satisfactory bilateral and friendly ties that have been developing between both nations despite the geographical separation. He also stressed that the Chinese people are aware of the difficulties Cuba is confronting; thus, they are willing to offer whatever help they can provide. He mentioned the economic and scientific-technical cooperation program being held currently in priority sectors such as agriculture, fishing, and biotechnology. The results of the cooperation program have been significant with the implementation of Chinese techniques.

On behalf of the Cuban people and government, Raul Taladrid, vice president of the State Committee for Economic Cooperation, expressed thanks for the PRC policy of solidarity, stressing that this policy is presently a valuable contribution to solving the problems being faced.

Cuban-Dominican Chamber of Commerce Opposes U.S. Request

FL1812024193 Havana Radio Rebelde Network in Spanish 0000 GMT 18 Dec 93

[Text] The Dominican newspaper HOY has reported that the Cuban-Dominican Chamber of Commerce has described the U.S. request for the Dominican authorities to stop its citizens from investing in Cuba as interference in domestic affairs. The organization has asked all Dominican businessmen to continue doing business with Cuba, the source adds. Benjamin Adames Pagano, vice president of the Cuban -Dominican Chamber of Commerce, has said: The U.S. request has encouraged us to continue investing in Cuba, an island with which we have growing trade exchange.

New Ambassador to Sri Lanka Designated

FL1712170093 Havana Radio Reloj Network in Spanish 1520 GMT 17 Dec 93

[Text] The Ministry of Foreign Relations of the Republic of Cuba has announced that the Council of State designated Rolando Lopez del Amo [first name as heard] ambassador extraordinary and plenipotentiary of the Republic of Cuba to the Socialist Democratic Republic of Sri Lanka. The announcement says that before being designated ambassador, Lopez del Amo held the position of director of international organizations in the Ministry of Foreign Relations.

Ambassador to Denmark, Norway Designated

FL1712170193 Havana Radio Reloj Network in Spanish 1512 GMT 17 Dec 93

[Text] The Council of State has designated comrade Narciso Martin Mora Diaz ambassador extraordinary and plenipotentiary of the Republic of Cuba to the Kingdom of Denmark and to the Kingdom of Norway. The report carried in the paper GRANMA today adds that Mora Diaz will reside in Sweden, where he holds this same position.

New Ambassador Arrives in Boliva

FL1712201593 Havana Radio Rebelde Network in Spanish 1800 GMT 17 Dec 93

[Text] Cuba's new ambassador to Bolivia, (Carmen Elena Herrera) arrived today to assume the position, ready to provide continuity for an intense bilateral relationship that, as she recalled, was best expressed by the welcome Bolivia gave President Fidel Castro a few months ago. (Herrera) said she was proud to be able to continue forward with such an important bond and she came out in favor of increased economic and trade relations between La Paz and Havana. She added that, more than a diplomat, she feels herself to be a Cuban who represents the dignity of her people and government.

Asked about the increasing rejection on the part of Latin America of the anti-Cuban blockade maintained by the United States, (Herrera) expressed her gratitude for these things, and said she considered them evidence that times have changed in the region.

In answer to another question about Cuba, (Herrera) said that the island is determined to change itself so as to reincorporate itself into today's world, with emphasis on the economic aspect.

Concerning human rights, she said that while hers is not a perfect society, it is indeed a democratic one. It is a matter of...[announcer pauses] Cuba is in a position to give lessons, although it is always seeking to perfect itself.

The ambassador was greeted at the airport in this city [not further identified] by Bolivian Foreign Minister Antonio Aranibar, who was at the airport on his way to the interior of the country.

(Herrera) was met by Cuban Embassy charge d'affaires Rafael Salas Ochoa and protocol personnel from the Bolivian Ministry of Foreign Affairs. The new Cuban representative is replacing Angel Brugues, who has returned to his country after concluding his mission as ambassador to Bolivia.

Colombian Ambassador Presents Credentials

FL2012013193 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 18 Dec 93

[Text] The newly appointed Colombian ambassador presented his credentials to the government of Cuba on 17 December. Commander of the Revolution Juan Almeida Bosque, vice president of the Council of State, received in a solemn ceremony his excellency Ricardo Santamaria Salamanca who presented his credentials as Colombia's ambassador extraordinary and plenipotentiary to Cuba. Later the ambassador and his companions went to Revolution Square were they laid a wreath at Jose Marti's monument.

Western Army Areas Inspected for Combat Readiness

FL2012031693 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 20 Dec 93

[Text] The inspection of the Western Army by Minfar [Ministry of the Revolutionary Armed Forces] concluded today shows the high level of preparation and combat readiness of our regular troops and of the entire population. Division General Ulises Rosales del Toro today toured San Jose de las Lajas and Habana del Este, provincial municipalities that were selected for inspection. Different public construction projects were inaugurated; at the same time, the population's ability to organize to carry out different missions was checked.

The Defense Council of the village of Tapaste received the "Defense-Ready, Phase II" certificate, and a group of veterans was recognized for its members' dedication to combat readiness.

Division General Nestor Lopez Cuba highlighted the results obtained by the MTT [Territorial Troops Militia], the People's Defense Brigades [Brigadas Populares de Defensa], and the entire population of the province—because of their enthusiasm and dedication. He said San Jose de las Lajas is an unshakeable bastion of the Revolution.

[Begin Lopez Cuba recording] A very important and strategic area is being defended, because it cuts off the highway to the capital, defends your important high ground here. [end recording]

In Habana del Este Municipality, the demonstration exercise became a powerful show of combat ability. The mock enemy attacks were repelled, and the Minfar inspectors granted Zone II status.

Ulises Rosales del Toro congratulated the two provinces for their results, and urged them to continue improving our preparation for defense and combat.

Also exercises by a big tank unit also concluded today in western Cuba, where novel logistic ideas [novedosas concepciones logisticas] involving ambushes, surprise blows against the enemy, and independent action by small units were put to the test.

* Violent Crime Report Disputes Enemy Radio

94CA0039A Havana GRANMA in Spanish 27 Oct 93 p 2

[Text] Local residents who gathered in front of No. 3 Bayona between Conde and Merced in Old Havana could not imagine the reason for the presence of the police, much less the outcome.

Only the appearance of the three bodies of the residents of the house confirmed the rumor about a multiple crime. The victims: Julio Cesar Avella Ortega, 49; his wife, Ana Olga Escalona Reyes, 36; and his mother, Ana Luisa Pena, 79.

According to the preliminary report of investigators and experts from the PNR [National Revolutionary Police], all three had been struck on the head with a hammer and had their throats slit with a knife. Both instruments were found at the scene of the crime.

Initial investigations also revealed that the victims had lived far beyond their stated incomes by systematically engaging in illegal dealings, including the buying and selling of jewels and foreign items, and unlawful gambling. To date, authorities have arrested two suspects in what appears to be a "settling of accounts."

The facts expose the lies propagated by enemy radio, which claimed in its 19 October broadcasts that the crime was the work of a group of persons that had used a machete in order to "do justice" to an alleged State Security agent and his family. The latter allegedly arranged illegal departures from the country and then, after collecting for the service, killed the victims. (RRL)

Haiti

Malval Gives Public Farewell Speech

FL1712175993 Port-au-Prince Radio Metropole in French 1145 GMT 17 Dec 93

[Report on speech by Prime Minister Robert Malval on 16 December; place not given]

[Text] It is definitive. On 16 December, Robert Malval began his first day dealing with the state's day-to-day matters. I am no longer prime minister. I will no longer involve the nation in any actions. Those statements were made by the Haitian prime minister, who made his public farewell to the nation in a speech given in Creole.

Robert Malval urged President Aristide and General Cedras to immediately find a formula to extract the country from the crisis through dialogue. He implicitly reproached the Army for its lack of cooperation during his three and one half months, condemning the continued violation of human rights in the country.

In addressing the nation for the last time, the resigning prime minister made a point of giving a general survey of the actions taken by his government during those three and a half months. Surrounded by his ministers, Robert Malval explained that he wanted to let his heart talk instead of giving a formal assessment. Mr. Malval recalled that he was invested with a specific mandate: the mandate of social appeasement, of reconciliation, and of the reestablishment of the constitutional order in Haiti through the return of President Aristide. On this matter, the resigning head of government indicated that he met with difficulties on the field which clearly hampered the play of his government. Robert Malval pointed out that his government never found itself in an ideal situation in order to function.

The prime minister asserted that his government was facing a cycle of pressure and of repression. Furthermore, he pointed out that the assassination of his minister of justice made the task more difficult for the other members of the government. By the same token, Mr. Malval mentioned the lack of cooperation of the military in the establishment of an atmosphere of reconciliation. While acknowledging his failure, Mr. Malval attempted, however, to defend himself by explaining that he and his ministers were of good faith, honest, frank, and were really thinking of Haiti's welfare. Thus, the prime minister paid a vibrant tribute to all the members of his cabinet, including the murdered minister of justice, attorney Guy Francois Malary. Without clearly referring to international cooperation, Mr. Malval announced that the only important donation that he received from abroad was the sum of $1 million offered by the Taiwan Government.

Touching on the proposals formulated by some sectors to solve the crisis, Robert Malval indicated that he could not conduct the government under the authority of Article 148 of the Constitution, which implies the control of power without consulting the president. He thought that such an act would represent a stab in the back of President Aristide and of the Haitian people.

Throughout this speech, Robert Malval insisted on the necessity of a real national dialogue due to the seriousness of the situation in Haiti. Thus, the prime minister is giving his notice and letting the professional politicians take his place.

[Begin Malval recording in Creole] A funny idea is that some people thought that I was emotional because I was leaving power. Well! This is something that I found very strange because no one forced me to resign. I could even say that everyone asked me to stay. But I will say something that I said when I was abroad and what I am saying is not bragging or a lack of modesty. I consider that we have reached a situation where there are people who are more competent than I am, who can solve the political problem that the country is facing. Some people are used to this field. Some people are used to talking with the legislators, used to talking with the associations, used to working in teams, in parties, and I think that those people are more qualified today than I am in order to resolve a problem which is beyond me. It is a problem that we tried to find a solution for in the framework of a national dialogue. I will repeat it and we have always said that if the conference does not have Aristide's approval, it does not now make sense.

Whether we want it or not, even if a public conference is not held for everyone to speak together before television cameras, I believe that in each town, in each village, in each city, in each neighborhood, we can sit down and pose the country's problem between us, in private. A long time ago there were some neighborhood committees, and some still exist. For a dialogue to make sense, everyone should be able to talk. Even if it is an enemy, once he accepts dialogue, he buries his arms in order to talk, then everyone talks. This is the wish that I make for the entire country on the eve of Christmas. We have tried to take our mission to its conclusion but today we are leaving the stage. But we did not give up our struggle on the side of the Haitian people because we started our struggle on the side of the Haitian people and if we have to end it, we will do so on the side of the people. [end recording]

In this message Robert Malval also expressed the wish that the two principal actors of the crisis, the Army and President Aristide, make haste toward a solution.

[Begin Malval recording in Creole] And we hope that the president, that the authorities of the Armed Forces, will find among themselves and immediately, a formula to resolve the crisis. As resigning prime minister, I, as well as all the other members of the government, only wish that the president chooses a successor immediately because if this is not done, the country's future will be signed away. [end recording].

Those were statements made on 16 December in Robert Malval's last speech to the nation.

Malval Gives Reasons for Resignation

FL1812001993 Port-au-Prince Signal FM Radio in French 1800 GMT 17 Dec 93

[Text] Prime Minister Robert Malval's resignation letter was issued at noon today in the Haitian media. Mr. Maval explains that he took such a decision for two major reasons: to avoid the vote of no-confidence against

his government after 15 January, the date for the return of the 18 January elected legislators to Parliament. The second reason given to the president was his taking charge once again of the command of the solution of the crisis by dictating the rules.

The prime minister's letter asserts that the return of President Aristide to power can only be done on the basis of a large historical compromise. Still regarding the return of the president, Mr. Malval thinks that the Haitian Army and the Pentagon significantly showed that they would not apply point 5 of the Governors Island accord, which conditions all the rest. Mr. Malval also asserts that the international community, even in the framework of a military intervention, will oppose the return of President Aristide.

Malval Government Disapproves Cedras Dismissal Letter

FL1712215093 Port-au-Prince Radio Metropole in French 1145 GMT 17 Dec

[Text] Resigning Prime Minister Robert Malval announced on 16 December that, in accordance with his government, he will not hand to Army chief General Cedras his dismissal letter signed by President Aristide and has called on Aristide to reconsider his decision for security reasons.

In fact, Malval's government has disapproved President Aristide's decision to retire the Army commander in chief. The members of the cabinet and the resigning prime minister have asked the president to defer his decision while awaiting the clear reactivation of the Governors Island accord.

The ministers, who reproached the president for making this decision without consulting all the members of the government, also evoked some security concerns in order to explain their position. The ministers met in council and decided unanimously not to hand the letters to the persons they were addressed to. This was written in a message sent to the president-in-exile.

The two letters were addressed to Generals Cedras and Duperval, one concerning the retirement of General Raoul Cedras, and the other of the undertaking of command of the Army command for an interim period by General Jean-Claude Duperval. The ministers called the presidential measure a trap, risking the shooting of all the members of the government and creating a delicate and perilous situation for all the ministers. The ministers denounced the deliberate leak from the entourage of President Aristide.

More on Malval Disapproving Cedras Dismissal Letter

FL1812003593 Port-au-Prince Signal FM Radio in French 1800 GMT 17 Dec 93

[Text] Outgoing Haitian Prime Minister Robert Malval announced on 16 December that, in accordance with his government, he will not hand to Army chief General Raoul Cedras his letter of dismissal signed by President Jean-Bertrand Aristide, and called on him to reconsider his decision for security reasons.

Mr. Malval also reproached the constitutional president for a deliberate leak from his entourage as well as the conditions in which such a decision was made.

I received from you two letters dated 14 December 1993 that you addressed to Generals Cedras and Jean-Claude Duperval, assistant commander in chief, regarding the retirement of one and the undertaking of the command ad interim of Haiti's Armed Forces by the other, notes Mr. Malval in his letter to President Aristide, made public on 16 December in Port-au-Prince. I point out once more that you have involved the government without consulting it, and this on the eve of its resignation, he points out. This practice, in this specific case, appears like a trap that risks closing on the members of the government, continues Mr. Malval, who stresses that the rule in this field indicates clearly that the Council of Ministers should be consulted regarding the opportuness of those two measures. You did not do it and it was through the media that the members of the government learned that the delivery of those two letters to their addressees would be the last official act of the Malval government.

He writes that currently there are deliberate leaks from your entourage, as specified in the report appended to this letter. This leak places the whole government in a delicate and perilous situation. The ministers, gathered in council, decided unanimously not to hand over the letters to the persons they were addressed to. They ask you, on behalf of their security and on behalf of their families and of all those fighting in the country for democracy, to defer your decision, while awaiting the clear reactivation of the Governors Island accord, concludes the letter of Mr. Malval to President Aristide.

FRAPH Disagrees With Cedras Dismissal

FL1812000893 Port-au-Prince Radio Metropole in French 2100 GMT 17 Dec 93

[Text] FRAPH [Revolutionary Front For the Haitian Advancement and Progress] leaders have expressed their disagreement with President Aristide's decision to dismiss General Cedras and ask the international community to lift the embargo because Jean-Bertrand Aristide is not credible.

[Begin FRAPH Secretary General Emmanual Constant recording] An analysis of Malval's letter addressed to President Aristide reveals two important things. First, from the prime minister's confession , all evidence shows Aristide has never played the democratic game, but on the contrary he has constantly manipulated and trapped the people who were serving him. His methods of government constitute, without doubt, a practice that is shameful coming from a man who pretends to represent a country. Now Aristide's changing character no longer

has to be proven. In light of this letter, no trust seems to be given to such a person, neither from his prime minister nor from the other members of his government.

Therefore, FRAPH, as well as the country as a whole, expect from the international community that it will take action on this state of affairs and on this blatant violation of the Governors Island accord by Aristide. Thus, the international community must show it has the courage and the honesty to reconsider its position regarding this unfair embargo, imposed on an entire nation in order to return to power such a personality. Emmanuel Constant, FRAPH secretary general. [end recording]

Aristide Addresses Nation on Election Anniversary

FL1712222693 Port-au-Prince Radio Metropole in French 1145 GMT 17 Dec 93

[Text] President Aristide addressed the nation on the occasion of the third anniversary of his election as head of the country on 16 December. The president-in-exile pointed out the importance of the 16 December 1990 vote, which remains, according to him, a model in our history. Jean-Bertrand Aristide explains that this vote was the result of unity among Haitians who intended to save the country.

The president, who has not so far celebrated the date of 16 December in Haiti, still has the hope of one day returning to Haiti. The sun of democracy will rise again, according to President Aristide, who again attacked the Army and the Tontons Macoutes who are hampering the reestablishment of constitutional order in Haiti. Jean-Bertrand Aristide also accused the military of being responsible for the death of many people during the past 27 months. The president-in-exile also called for a popular mobilization, and lauded Mr. Malval as he leaves as head of government.

[Begin Aristide recording in Creole] The prime minister has resigned, but in compliance with Article 165 of the Constitution, the ministers will remain in their functions in order to deal with the day-to-day matters until we replace the prime minister. And I extend another very big thank you to the entire government. We continue to support each other in order to carry the load together. I handed to the prime minister the ball of consulting with you. Follow the direction in which it is rolling, without letting political ambitions divide us. Watch out that mice in the house do not eat the food in the house [veye pou rat kay pa manje pay kay]. Unity gives strength.

The role of the president is to gather all Haitians around the table under the light of the Constitution. The new prime minister will have to help us gather the poor and rich, civilians and military in order to achieve for us an avalanche of reconciliation and justice. While awaiting my return in order to hold safely a real national rally, I encourage you to continuously organize resistance in order to bloc the death machine of the putchists. That is where the real problem lies.

On the occasion of Christmas, coming next week, I wish that we finally achieve a truce. Enough is enough. We must find a truce. Christmas is peace. Christmas is liberation. Christmas is the celebration of love. Let us do all we can to spread peace, liberation and love in our nine departments, as well as in the tenth department. One counts on others; we support one another for another Haiti. It is on behalf of the nation that I wish to all the friends of Haiti, peace on this Christmas of 1993.

Brothers and sisters of mine, 16 December 1990 was a flame of sun full of hope shining throughout the country. On 16 December 1993, the weather is bad. It looks stormy, that is true. The sun of liberation has set, but it is not dead. It will rise when you stand up. It will rise to shine when you stand up everywhere, all day, all night. Article 4 of the 1987 Constitution stipulates: The nation's slogan is: liberty, equality, fraternity. On 1 January 1804 we took our liberty. On 16 December 1990 we voted for equality. The day liberty marries equality, they will give birth to fraternity. Liberty, equality, fraternity for us all. Alone we are weak, together we are strong, closely united we are an avalanche. [end recording]

Party Leader Calls for National Conference

FL1812014493 Port-au-Prince Radio Metropole in Creole 2100 GMT 17 Dec 93

[Text] The Nationalistic and Progressive Revolutionary Party Of Haiti [PANPRA] leader, Serge Gilles, condemns President Aristide's decision to dismiss General Cedras as Army chief. Serge Gilles calls this decision a major mistake. Regarding the situation in Haiti following Prime Minister Robert Malval's resignation, PANPRA favors holding a national conference in order to solve the crisis.

[Begin recording] [Gilles] After Malval, we think that a national conference of reconciliation must be held. It is obligatory for a passage to democracy for us. It is a chance; moreover, even the international community understands and supports such an initiative. We regret that even there Father Aristide does not go along with the national conference. I really ask myself the question: Someone who calls himself a democrat, and he cannot agree with that? I believe that he will reconsider his decision. To disagree while problems which are arising—there is a deep crisis, every one is desperate—and a democrat does not agree with such an initiative? There, I asked myself some questions. In any case, as far as we are concerned, it is obligatory to hold the conference and for it to be a success; it must be a conference representing all the sectors. There should not be anything exclusive about it.

[Reporter Rothschild Francois] The international community says that it supports the national conference but

would like it to be in the framework of the application of the Governors Island accord. What do you think?

[Gilles] We believe that nothing should be imposed. We are holding a national conference and there are some problems arising from the proposal, including the Governors Island accord—that is true. It is necessary to talk about it, but there are other things to consider. We cannot go to the conference and discuss only the problem of the Governors Island accord. Yes, it is a problem. It is necessary to talk about it. The conference must agree on it in the most democratic way but we must also discuss the structural problems. Because if we do not do that, it is like washing our hand and then getting it dirty again.

[Francois] Regarding this conference, President Aristide supports it but only after his return....

[Gilles] No! I do not believe that the people can wait. We are saying it clearly: We do not think that the people can continue to wait. It is obligatory to hold the national conference. It is time for all the sons of this country to sit down around a table. We have already made a step. The international community is already motivated, and many other sectors are motivated, whether it is economic, business, the peasants and the many associations of civilian society; many political parties are motivated on the question. I believe that there is one thing that President Aristide can do. He can send his representatives to the conference just like he did in the New York conference.

[Francois] Mr. Serge Gilles, you are known among public opinion as a potential prime minister.

[Gilles] Well! They say so. If you are in politics and you are leading a party, well you can be prime minister, you can be president. But it is not my priority. What I am concerned about is activating a political party—since the sole objective of all political parties is to take power alone or with other parties. Of course, if there is a problem of a prime minister or of a president, we can discuss it. True, many people have told me about it. I believe that the priority is holding the conference. Now, which institution will take care of organizing it? I believe that it must be a very representative institution, where all sectors, the state's major institutions, the represented political parties, could sit in on the organization of the conference. For me, we should not waste time. [end recording]

El Salvador

FMLN Celebrates U.S. Offer To Provide Documents

PA1812201693 San Salvador Radio Cadena YSU in Spanish 1800 GMT 18 Dec 93

[Report by Balmore Parada; from the "YSU Radio News" newscast]

[Text] The Farabundo Marti National Liberation Front, FMLN, celebrated today the U.S. Embassy's offer to provide documents to the joint commission that will investigate the activities of death squads in El Salvador.

FMLN Joint Coordinator Marcos Jimenez said that this is a positive step that will contribute to the Salvadoran peace process. The FMLN hopes, however, that the information will be useful.

[Begin Jimenez recording] We hope that the list of individuals who were trained by U.S. personnel will be published, in other words, U.S.-trained Salvadoran civilians who participated in those politically motivated armed groups. We hope that the information will include details such as sites, dates, and types of training, why these individuals were trained, and their names. Those details will contribute to the investigations to determine who was involved in criminal actions.

We celebrate the U.S. Embassy's announcement, but at the same time we reiterate that our expectations are very high and that we hope the information provided will be quite substantial. We also hope it will not be the only information made available, as the announcement about the declassification of documents has been insufficient so far. [end recording]

It was learned today that the U.S. Embassy in San Salvador has offered to provide various documents to the joint group that will investigate illegal armed groups. The FMLN hopes to have the preliminary results of the investigation by early January.

[Begin Jimenez recording] We believe the first 30 days of January will be decisive. The FMLN hopes parties will have access to a monthly report from the commission in order to follow up actions and be assured that the commission activities will contribute toward controlling the activities of those criminal groups. [end recording]

According to U.S. Embassy sources, the declassification of documents on 5 November by the Pentagon, State Department, and CIA is aimed at contributing to the investigations to clarify political violence in El Salvador. The U.S. Government will also contribute to the fund to be used by the joint working group that will investigate groups officially known as illegal armed groups with political motivations.

Bishop Rosa, Calderon Sol on U.S. Documents

PA1812010293 San Salvador Canal Doce Television in Spanish 0300 GMT 16 Dec 93

[Report by Edwin Gongora from the "Up to Date" newscast]

[Text] The news that Colonel Francisco Elena Fuentes organized a paramilitary brigade linked to the death squads has sparked various reactions within Salvadoran social and political circles. Monsignor Gregorio Rosa Chavez, auxiliary bishop of San Salvador, said this timely information will reveal the truth about the violent actions that shocked society in the 1980's. Meanwhile, ARENA [Nationalist Republican Alliance] presidential candidate Armando Calderon Sol said the U.S. intelligence documents have no value, not even for U.S. officials. Edwin Gongora has a report:

[Begin recording] [Gongora] In terms of the disclosure of official U.S. documents that link various government officials and Armed Forces members with the financing and training of illegal groups, Msgr. Rosa Chavez said this is the turning point in making the truth known about the events of the last decade. He pointed out that this information is important, because by knowing the truth, the country will take a positive step toward the future and not return to resorting to violence.

[Rosa Chavez] This information is revealing. There must be a commission in charge of verifying this information and learning the truth, because without truth, there can be no peace. Therefore, I believe that the search for the truth is very relevant.

[Gongora] Rosa Chavez said justice must be based on truth in order that peace can be achieved fully, allowing the past to slip into oblivion. Meanwhile, Calderon Sol again questioned the credibility of this information, adding that Alexander Watson, U.S. assistant secretary of state for inter-American affairs, had already given an explanation.

[Calderon Sol] Ambassador Watson [title as heard], the assistant secretary of state, explained here the value and scope of this unclassified information. Therefore, I believe it is insignificant.

[Reporter] Although the information unclassified by the U.S. Government involves several members of the current government, Rosa Chavez believes the issue must be faced calmly and that politicians should not use the information as a tactical weapon in the current electoral process. [end recording]

PDC Leader Blames Death Squads for Attack

PA1712193193 San Salvador Radio Farabundo Marti Network in Spanish 1800 GMT 17 Dec 93

[Report by Dagoberto Coreas; from the "Facing the Moment" newscast]

[Text] A renewed attack was staged at dawn against Christian Democratic Party [PDC] leader Arturo Argumedo, who is also a candidate for alternate national deputy. The incident took place when several individuals hurled an explosive device that damaged the residence of Argumedo, a former prosecutor general.

The PDC leader blames this second attack on the death squads, which the government insists on characterizing as illegal groups with political designs.

[Begin Argumedo recording] They are the only people who operate with impunity in this country, and now they are being called illegal groups with political designs [passage indistinct].

These people do not operate by [words indistinct] or through news agencies. They receive orders, which come solely from the oligarchs, who are capable of financing these people. [end recording]

The attack occurred in the middle of a desperate effort by ARENA [Nationalist Republican Alliance], which, through the Supreme Court of Justice and PDC dissidents, is trying to destroy Fidel Chavez Mena's presidential candidacy, Argumedo said.

[Begin Argumedo recording] I believe they do not want him to continue to warn his party against certain improper and impertinent requests presented to the court. The worst part of it is that the court has received their writs of amparo; it has intervened in an abusive manner and played up to them, and it has allowed itself to be used, because the death squads are ARENA's tools, not the government's.

All of the current Supreme Court justices are ARENA members, and those who are not are even more shameless, because they sound, fly, and swim like ducks while denying that they are ducks. [end recording]

The former prosecutor general suffered a first attack on 30 October when an incendiary bomb was hurled at his home, causing damage.

FMLN Accuses Death Squads of Killing Peasants

PA1912214593 San Salvador EL MUNDO in Spanish 17 Dec 93 p 4

[Communique issued by the Farabundo Marti National Liberation Front in San Salvador; date not given]

[Text] The Farabundo Marti National Liberation Front (FMLN) condemns the killing of six peasants, which occurred in the village of Los Copinolitos, Primavera Canton, Santa Ana Jurisdiction.

According to official reports, Mario Ernesto Moran, Carlos Ramirez Lopez, Enrique Guerrero Moran, Cristian Alfaro Sibrian, Carlos Antonio Carrillo, and Luis Antonio Aguilar were violently dragged from their homes by individuals wearing masks very late at night and two hours later were found dead—two of them decapitated.

Rafael Cordova, Adan Alvarado, and Miguel Angel Acevedo are involved in the execution of the killings. The first two had been discharged from the Cavalry Regiment, and, at the time of their arrest, authorities seized two M-16 rifles and ammunition from them. It was later confirmed that the confiscated weapons were the same ones used in murdering the peasants.

This incident is the first of its kind following the installation of the Joint Group, which will investigate the actions of "Civilian Armed Groups With Political Motivation," and it clearly demonstrates the existence of death squads and death squad tactics.

Therefore, the FMLN requires and demands that the National Civilian Police (PNC) be immediately deployed to the cities of Santa Ana and San Salvador; otherwise, similar incidents will continue to take place and the security of Salvadorans will not be guaranteed.

Moreover, this demonstrates the use of Armed Forces weapons by soldiers who use them to sow and create terror among the population.

Finally, the FMLN requests the relevant authorities to conduct an in-depth investigation of the incident, because the weight of the law must fall on the perpetrators of this kind of genocide. In addition, this incident underscores the need to dismantle the organs of intelligence that continue operating with impunity and violating the human rights of Salvadorans.

Commentary Discusses U.S. Links to Death Squads

PA2012032293 San Salvador DIARIO LATINO in Spanish 17 Dec 93 p 15

[Unattributed Commentary: "A Human Rights Debt"]

[Text] Finally, after a lengthy negotiations process in which the government found itself forced to yield its initial pretense of heading the investigations, the commission in charge of probing the existence and actions of death squads was installed by President Cristiani in the presence of Augusto Ramirez Ocampo, chief of the UN Observers for El Salvador; members of the National Commission for Consolidation of Peace; and ambassadors from friendly countries.

The "Joint Commission" will have a six-month mandate beginning on the day of its establishment. Its investigations must cover the activities of illegal armed groups since 16 January 1992. Its mission is truly crucial for El Salvador, not only because it could resolve grave cases of human rights violations during the transition period, but also because it could be the first step toward the definite eradication of the evil death squads.

The support that the creation of the Joint Commission has had from all the political forces in the country is positive, but the political environment in which it will have to function during its mandate is no small challenge. Less than 24 hours after being installed, the name of another former commander and member of the Political Committee of the Farabundo Marti National Liberation Front [FMLN] had to be added to the casualty list on political crimes that must be investigated.

President Cristiani, in a hasty and irresponsible way, has affirmed that evidence indicates that this death was a common crime. The government has invariably used this thesis, except in the case of former Commander Francisco Velis, to explain a series of killings and attacks on FMLN people.

The installation of the Joint Commission has taken place in the context of new information contained in documents declassified by the U.S. State Department. These documents point to the U.S. participation in the training of civilians linked to the criminal death squad networks under the supervision of Colonel Francisco Helena Fuentes, who at the time was the commander of the 1st Infantry Brigade. The responsibility of the North Americans in the utilization of war methods that generated in most grave human rights violations is nothing new. The elite unit that murdered the Jesuits was trained by them, and on the eve of the 1989 guerrilla offensive, that unit was still being trained by U.S. advisers. What is new is that for the first time, official documents point to the U.S. advisers' participation in activities that made possible the upbringing and effectiveness of the death squads—activities which were not part of approved functions for the group of U.S. advisers and which were carried out clandestinely.

The appearance of Colonel Helena Fuentes' name is not strange either. It seems that the creation of paramilitary groups dedicated to giving support to counterinsurgency operations, espionage, and betrayal was a dream shared by La Tandona [a military graduation class] people. Fuentes' predecessor in the 1st Infantry Brigade, then Colonel Orlando Zepeda, also gave the idea of training civilians a try in the first few months of 1989, when he made public the creation of the "Patriotic Civil Defenses." The first contingent was sworn in on 6 May of that year. This contingent included a group of civilian warmongers known for their pathologic fanaticism and anticommunism. Fortunately, this venture had a short life: The Patriotic Civil Defenses were dismantled following protests from the church and national democratic sectors and after actions by President Cristiani. It is very probable that this general rejection led Helena Fuentes to clandestinely promote the military training of civilians—a training shrouded by U.S. silence and, perhaps, by joint U.S. responsibility.

The eruption of the death-squadrons problem as a central issue in the political campaign represents the atmosphere in which the new commission was installed. Its mission is truly momentous, and whether or not we pay, to a great extent, our human rights debt depends on how far-reaching the commission's investigations are. The results of the investigations must lead to tangible results—that is, effective administrative and legal measures.

It is also very important that all the recommendations of the Truth Commission be followed. Paying the human rights debt must not be confined to a search for instruments capable of guaranteeing the elimination of human rights violations. It also means clearing up, as much as possible, El Salvador's past and bringing justice to bear on those people responsible for the crimes of the past.

This is why recent statements by Nationalist Republican Alliance presidential candidate Dr. Calderon Sol are alarming. At a moment when it is expected that campaigning political parties explicitly commit themselves to respecting the peace agreements, Calderon Sol has said that if he wins the elections, he is not prepared to follow the recommendations of the Truth Commission. The fact is that his position is not very different from that of the current government. Cristiani has not demonstrated much of a disposition toward following those recommendations, either. He has delayed and blocked compliance. The difference is that Calderon Sol has publicly stated his decision not to back a peace process that is based on justice.

Much of the political process remains nebulous, but one thing has been made clear: Of all the presidential candidates, there is one who will not fulfill the peace agreements.

Cristiani Comments on Police Demobilization

PA1812020793 San Salvador Canal Doce Television in Spanish 0300 GMT 16 Dec 93

[Report by Hilda Quijano from the "Up to Date" newscast]

[Text] A UN Secretary General report indicates that it will be difficult to fulfill the peace agreements if Cetipol [Police Instruction Center] remains open past the end of the month, especially considering that the National Police [PN] have already reached their membership quota in the PNC [National Civilian Police]. President Cristiani, however, assured that Cetipol will close in late December, and he added that this center is not enrolling any new students.

[Begin Cristiani recording] The number of agents who graduated from Cetipol in the past few months was minimal; in fact, it was even less than the number of routine PN discharges and retirements. No new students have been admitted. Cetipol will cease activities this month and will shut down. [end recording]

As for the demobilization of PN agents, President Cristiani said that this process will end in October 1994, adding that their benefits are already guaranteed.

[Begin Cristiani recording] The PN reached an agreement with the United States, which donated funds for a reincorporation and training program for demobilized PN agents who do not join the PNC. There is a plan with U.S. AID cooperation to reincorporate those who have no chance of finding a job. [end recording]

The president again downplayed a report published by a U.S. newspaper claiming that U.S. soldiers trained Salvadoran civilians who called themselves The Patriotic Ones. He added that events of this nature are part of the past and that there should be no unproductive discussions about them.

Christian Democrats Suspend Certain Leaders

PA1712151493 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 16 Dec 93

[Report by David Rivas; from the "KL Radio News" newscast]

[Text] A report that caused a great deal of commotion in the Legislative Assembly installations last night was a resolution by the Christian Democratic Party [PDC] Tribunal of Honor suspending certain top PDC leaders from their duties—including presidential candidate Fidel Chavez Mena—for four months. Other suspended top PDC officials are Atilio Vieytez, Roberto Edmundo Viera, Dr. Jose Antonio Morales Erhlich, Eduardo Colindrez, Gerardo Le Chevalier, Ramon Aristides Alvarenga, and Dr. Arturo Argumedo.

The PDC Tribunal of Honor suspended those party leaders for a four-month period, according to a resolution ratified by the Supreme Court of Justice.

The text of this resolution by the PDC Tribunal of Honor, to which KL News Center gained access, states that Dr. Fidel Chavez Mena, PDC secretary general; Atilio Vieytez, assistant secretary general; Roberto Edmundo Viera, secretary of internal relations; Dr. Antonio Morales Ehrlich, national representative; Eduardo Colindrez; Gerardo Le Chevalier; Ramon Aristides Alvarenga; and Dr. Arturo Argumedo Jr. are absolutely deprived of their rights as party members for four months beginning 15 December. They are suspended from the PDC Political Commission based on Article Eight of party regulations. May the Supreme Electoral Tribunal be informed of this resolution for its consequent legal effects. This is part of the text of the resolution issued by the PDC Tribunal of Honor, to which KL News Center gained access last night.

When asked about this decision, Deputy Roberto Edmundo Viera announced that an urgent national assembly will be held 16 December to analyze this Tribunal of Honor resolution. Should this resolution be implemented, it will exclude not only Dr. Chavez Mena and Atilio Vieytez from electoral participation but also the main PDC leaders.

Here are statements by Deputy Roberto Viera on this situation:

[Begin Viera recording] I think this is a Supreme Court of Justice political decision. Here, the basic point is that there are crimes, death squads, murders, and violations in the country, and the Judiciary Branch does nothing. The Judiciary Branch, through its president, gets involved, however, in an internal problem of a political party and does this, which falls outside of the Judiciary Branch's jurisdiction.

The court issued a ruling on this internal dispute, and this [words indistinct] on this. Now, I am not surprised about this resolution, because what Supreme Court President Gabriel Mauricio Gutierrez Castro wants is for the candidates and party authorities to be sympathetic toward ARENA [Nationalist Republican Alliance].

When President Duarte was elected, the Central Electoral Council and the Supreme Electoral Council endorsed the fraudulent elections of the PCN [National Conciliation Party], permitting the military to seize power; this was not the people's will, though.

In the party, what Gutierrez Castro wants is not what the party wants. We are now appealing to the party's will and not that of Gutierrez Castro; therefore, we will hold a national convention tomorrow with the participation of the party's higher authorities, who will decide who will be their candidates. This will not be decided by Gutierrez Castro with the decisions he is adopting. [end recording]

UNOC Rejects Government Labor Code Proposals

PA1712183593 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 14 Dec 93

[Report by Angel Iraheta; from the "KL" newscast]

[Text] The National Peasant-Worker Unity, UNOC, today rejected the package of labor code reforms that the government submitted to the National Congress after the Forum of Economic and Social Consensus failed to reach important agreements. UNOC Representative Amanda Villatoro said that the government introduced unilaterally 20 of the 51 submitted articles. She added that this is inconsistent with the agreements reached at the forum and with the proposals of the International Labor Organization [ILO]. In view of this situation, UNOC emphatically rejected this proposal.

[Begin Villatoro recording] Thus, they should have been more serious and not [words indistinct] the nine points under discussion; they should not have messed with them; besides, the president said that he tried to be sensible and Solomonic, but he was neither sensible nor Solomonic, because 20 points that the private sector proposed throughout the discussions were included in the government proposal while only one of our points was included. This constitutes a great imbalance.

Both the government and businessmen have insisted that the Constitution must be respected, but where is the compliance with Article 47 of the Constitution, which gives us the right to elect our own directorate? In addition, there is a complaint that the first lady talked about compliance with Article 42, which established infant care centers. Based on what do the ladies from the National Family Secretariat say that either the Presidency or the government gives us the infant care centers? It is the Constitution that they drafted that gives us the infant care centers. [end recording]

During the last few weeks the forum, which the peace agreements created, has analyzed 49 articles proposed by the ILO. There was disagreement on three articles, however. Villatoro, who is a deputy and a labor union leader, believes that such articles clearly violate the peace agreements.

[Begin Villatoro recording] This is definitely a violation of the agreements, because the minister and the government do not even respect the 18 points of agreement, which God knows how difficult it was for us to reach them. The only positive thing that the forum achieved—we want to be prudent here—is that it united three sectors that have historically opposed each other; this is the only thing that the forum has given us. Why? Because all agreements reached so far were the result of pressure exerted by the AFL-CIO and of the pressure we exerted at the Trade Department.

Why has the law on public employees not yet been promulgated if it is a forum agreement? Why have reforms to the Labor Ministry's basic law not yet been made if this is a forum agreement? Why have all collective conflicts—which amount to more than 27—not yet been reviewed? Why? Because the United States is not demanding this to exclude them from the GSP [Generalized System of Preferences], because $1 billion worth of U.S. assembly plants and exporting companies are not at stake here. We believe that the forum has not yielded reforms to the labor code. [end recording]

UNOC reiterated that it will continue to exert pressure at the U.S. Department of Commerce to suspend El Salvador from the GSP. UNOC also said that if the deputies do not make the pertinent reforms to the bill, employers and workers could be involved in serious conflicts next year.

Labor Representative Comments

PA1712173493 San Salvador Radio Venceremos Network in Spanish 1800 GMT 14 Dec 93

[From the "Period, Same Paragraph" newscast]

[Text] The economic and social consensus forum has almost come to a standstill, because the business, government, and labor sectors have failed to reach an agreement. President Cristiani has sent a labor code draft to the Legislative Assembly, but the workers have rejected it. Freddy Vasquez, a labor sector representative at the economic and social consensus forum, has granted an exclusive interview to Radio Venceremos:

[Begin recording] [Vasquez] We learned yesterday about the government proposal, which is, basically, a compendium of positions assumed by the business sector for the last two months; that is, from 22 October to the present. Logically, this suggests, first, that the government put aside the proposal set forth by the ILO [International Labor Organization], which is the one the labor sector supported, and, second, again it ignores the labor sector positions and favors the business sector's positions. Undoubtedly, our labor sector will hold an emergency meeting today to determine the steps to take in view of the government's proposal, and we consider that these steps could include strikes and marches. For tommorow, it is a fact that the labor sector—that is, the workers' group—will have a strong presence at the Legislative Assembly.

[Unidentified reporter] Mr. Freddy Vasquez, we would like to know the points on which you failed to reach an agreement with the private sector.

[Vasquez] We examined the history of discussions on the code. There was agreement on 18 points only; there was no agreement on the rest. The business sector was in agreement, however, with everything except eight points; unfortunately, those eight points contain the guarantees for trade union freedoms, which were included by Dr. (Arturo Bronce) [not further identified] and which are the contents of agreements 87 and 98 on trade union freedoms. [end recording]

Assembly Approves 1994 General Budget

PA1712195693 San Salvador Radio Venceremos Network in Spanish 1800 GMT 16 Dec 93

[From the "Period, Same Paragraph" newscast]

[Text] The Legislative Assembly approved the nation's general budget for 1994 last night. Following several debates, the deputies approved more than 9 billion colones for next year. The amounts allotted were not substantially changed, the most significant modification being a special fund of 10 million colones for the University of El Salvador.

Poll Reveals Greater Number of Undecided Voters

PA2012010993 San Salvador Radio Cadena YSU in Spanish 1300 GMT 17 Dec 93

[Report by Boris Zelada]

[Text] The most recent opinion poll conducted 4-12 December by the Central American University's [UCA] Public Opinion Institute reveals that 55 percent of the respondents are unsure about whom they will vote for in next year's elections. This means that, far from indicating the population's political decision, the number of undecided voters is increasing. In addition, according to

the survey conducted among 1,849 voting-age Salvadorans belonging to all social strata and from all 14 departments, 46.5 percent agree that ARENA [National Republican Alliance] should continue in government while 45 percent disagree.

The poll also confirms that the PDC's [Christian Democratic Party] popularity is decreasing and that the CD/FMLN [Democratic Convergence/Farabundo Marti National Liberation Front] coalition's popularity has increased. According to UCA Vice Rector Rodolfo Cardenal, one of the most surprising aspects of the poll has been that ARENA's preference as an option in the elections has continued to decrease, mainly because of the economic crisis, inflation, and inefficiency in fighting crime.

[Begin Cardenal recording] The results are an indication of the government's deterioration and the economic crisis that the government has been unable to control. The situation is also probably related to both the government's responsibility regarding the death squads and ARENA's internal division. Evidently, the PDC's collapse is being caused by the party's internal crisis, which is indicated in the respondents' voting intentions. The PDC has lost four points within a few months.

No final conclusions can yet be drawn, but the CD/FMLN's popularity has increased by just one point. That is very little. The important thing is which parties have seen their popularity reduced. The number of undecided voters and those who could not answer has increased. These people will probably make up their minds in a few months. [end recording]

Similarly, Jose Miguel Cruz, director of the institute, has reported that one out of every four Salvadorans, or 46.3 percent [figure as heard], believes that the consolidation of peace has been this year's most important event. Nevertheless, 14.5 percent believe that the development of the national infrastructure has been the country's main achievement. Cruz says the country's political situation is too complex to declare that these trends will persist. For this reason, he said it can hardly be said that the 1994 elections will be decided in a single round.

[Begin Cruz recording] One out of every four Salvadorans believes that the consolidation of peace is the most important political event of 1993. The people regard the consolidation of peace and the improvement of the infrastructure as a governmental achievement. The same people, however, also point out governmental mistakes, such as the government's failure to control crime and rising price—in other words, inflation. Most Salvadorans think the country's economic situation in 1993 has worsened.

Salvadorans still believe death squads exist. There are also drastic changes in the electoral race. The number of undecided voters has increased, ARENA's popularity has decreased, and the PDC's favor has virtually collapsed. This is how the results were distributed. As I said, according to the poll, 24 percent think peace is the most important political event of 1993. According to 38 percent, the government was more concerned about itself than about the people. Another 38 percent believe the government was most concerned about the rich. Other smaller percentages were also considered. [end recording]

Meanwhile, the UCA poll reveals one very positive factor for the elections and the peace process, because 80 percent of the voting population possess voting cards, 12 percent have cards being processed, and 8 percent say they do not have one. In addition, 90 percent of the people say they are willing to cast their votes on 20 March. This means that a large number of people will participate in next year's elections, although the true degree of response remains unknown. Another aspect to consider is that ARENA still heads the list of preferences, but it is now in a lower position. The CD's favor has inched higher. Finally, the ratings of the PDC and PCN [National Conciliation] have dropped sharply. It has been reported that the next opinion poll will be taken in late January.

Guatemala

Army on Alert To Prevent Weapons Shipment

PA1812203593 Panama City ACAN in Spanish 1846 GMT 18 Dec 93

[Text] Guatemala City, 18 Dec (ACAN EFE)—Military sources reported today that the Guatemalan Army was placed on alert in light of possible weapons trafficking from El Salvador and Nicaragua, reportedly headed for the country's guerrillas forces.

Defense Minister Mario Rene Enriquez told reporters that there is fear about a shipment of weapons coming from those Central American nations, taking advantage of the Christmas and new year holidays.

Enriquez added that, according to information the Army has received, the arsenal has left for Guatemala and is addressed to the Guatemalan National Revolutionary Unity (URNG), the only guerrilla movement still active in Central America.

The military leader said that several military units have been placed on maximum alert along the Guatemalan border to prevent the weapons from entering the country.

According to the minister, the shipment is mostly AK-47 rifles used by the Farabundo Marti National Liberation Front (FMLN) and the Sandinists.

Government Minister Arnoldo Ortiz also reported that civilian security forces have been placed on alert, especially along the Mexican Border, to prevent weapons from coming in from that country.

The official said that authorities recently seized a shipment of weapons, which included mostly revolvers, sent from Mexico and headed for Guatemala.

Ortiz Denounces Gunrunning on Mexican Border

PA1712133593 Panama City ACAN in Spanish 1724 GMT 15 Dec 93

[Text] Guatemala, 15 Dec (ACAN-EFE)—Government Minister Arnoldo Ortiz denounced on Wednesday the transshipment of weapons from Mexico and reiterated that former Salvadoran and Nicaraguan guerrillas are involved in violent actions in his country.

Ortiz said that the Mexican border has always been a place used for weapons trafficking, although not necessarily offensive weapons, because revolvers and rifles, for example, are very expensive in Guatemala.

Army units are patrolling international ports near Mexico to avoid gunrunning, following the recent discovery of 5,000 assault rifle cartridges and two cases of high-caliber weapons that were trucked to Guatemala.

The minister, who is in charge of internal security, said that he instructed the National Police and the Treasury Police to expand investigations in the region to control gunrunning.

So far, the Mexican Embassy has not issued a statement on alleged gunrunning from Mexico to Guatemala.

Ortiz added that he suspects gunrunning operations have also been taking place from El Salvador and Nicaragua, following the end of the armed conflicts in those countries.

The official added that former fighters of the Farabundo Marti National Liberation Front, which has now become a political party, and former Nicaraguan guerrillas have entered Guatemala, where they are involved in criminal activities. When the war ended in those two countries, the rebels moved on their own to seek a living in Guatemala, the official said.

The Guatemalan Army is cooperating with civilian security forces in investigations to establish the presence of former Salvadoran and Nicaraguan fighters in this country. Ortiz did not rule out that when the government signs the peace agreement with the Guatemalan National Revolutionary Unity, armed groups may continue to exist without heeding the orders from the rebel command.

Fajardo on Statements by Former Belizean Envoy

PA1712135493 Guatemala City SIGLO VEINTIUNO in Spanish 14 Dec 93, p 3

[Text] Foreign Minister Arturo Fajardo Maldonado yesterday downplayed statements by the former Belizean charge d'affaires in our country and said that the statements were due to the internal political problems in Belize.

The former Belizean official, Salvador Figueroa, told the Guatemalan press that the current Belizean authorities plan to disregard the agreements reached with Guatemala up to this point.

He referred concretely to the alleged derogation of the decree approved by the Belizean parliament establishing the limits of that nation's territorial sea. Such a derogation would close the exit for our country.

The Guatemalan Foreign Minister said, however, that those "are just due to disagreements among politicians" and added that relations remain normal for the time being.

Fajardo said that Belize has presented a declaration at the OAS in Washington in the United States, whereby it clarifies that the statements by the former official do not represent the government's position.

Thus, everything was clarified, and relations were never undermined, Fajardo concluded.

More Than 200 Demonstrate Near Military Base

PA1712143693 Guatemala City SIGLO VEINTIUNO in Spanish 13 Dec 93 pp 2

[Article by Ricardo Miranda]

[Text] More than 200 people, among them repatriates en route to the military base Tercer Pueblo, in Ixcan, Quiche, and their international escorts, protested yesterday near Tercer Pueblo in the Playa Grande Military Zone.

With the participation of children, young people, and adults, they demanded "the end of the nation's militarization and respect for the returning refugees' rights."

The demonstration, organized by the Refugees Permanent Commissions, reached its critical moment when they requested the commander's permission to enter the command's perimeter to demonstrate.

The commander accepted and ordered his troops to fall back 20 meters to allow the demonstrators to enter. The demonstrators demanded the presence of Commander Major Sergio Cardenas to hold a meeting. During this meeting, they demanded the withdrawal of the military unit and for the Army to sit down at the negotiating table with the URNG [Guatemalan National Revolutionary Unity].

The officer in charge was handed a list of petitions that he signed as received. He welcomed them, while he labeled as "irresponsible" those who organized their return to an area of conflict which is mined with "subversive bombs," according to his words.

Also, several demonstrators vocalized their requests. "You burned our ranches and people. It is time you withdraw from our land," shouted a sobbing women whom the refugees supported.

The demonstration concluded peacefully when they prayed and asked the virgin of Guadalupe, Mexico's patron, for peace to arrive in Guatemala.

Pilots who frequently have to fly into this area consider the Tercer Pueblo Military Detachment as the borderline. "This is the border between the guerrillas and the Army," said a pilot who preferred to remain anonymous. To fly to this area, commercial aircraft must first obtain a permit from the Playa Grande Military Base.

According to the military authorities, last week their troops were harassed with gunfire at least three times. The problem, the soldiers say, is that the subversion does not have a front, making an open war impossible.

During the march to the military detachment, the repatriated persons carried posters on which they recalled Maryknol Father Guillermo Woods, who died in 1976 when an aircraft he was piloting crashed under unexplained circumstances.

That U.S. religious person is considered by those who were his parishioners and followers as an entrepreneur. For example, he founded the Ixcan Grande Cooperative, which achieved considerable development.

Domingo Avila, who left the country in 1983 with his family to safeguard his life, remembered him as saying: "He helped us so that this land would produce and so that we could legally own it. When the repression came, however, they killed him, and we had to flee. We now return with hopes of restarting our lives," he said.

At the Resureccion Camp, the site where the repatriates are temporarily established, the poverty and limitations placed on the children and women are notorious.

The 1,112 Guatemalans—who sleep in six sheds—suffer the severity of a humid climate. "Last night it rained, water came into the shed, our belongings got wet," one woman said.

The rain is not the only problem. The mined camps and the armed conflicts are the obstacles that the refugees have to face upon their return to the land where they were born.

Meanwhile, Army Spokesperson Major Edith Vargas de Marroquin said yesterday that "sectors seeking to discredit the Army in the eyes of the international community are causing a stir regarding the return of refugees; therefore, the leaders of these sectors will be responsible for any consequences that may result from their rashness, displayed by the demonstrations they incite."

Vargas added: "The repatriates staged a demonstration in front of the installations of the Tercer Pueblo Military Detachment, which clearly shows that they are challenging the Army."

She stated that the repatriates are being manipulated by the URNG, which seeks to trigger confrontations with soldiers of the Tercer Pueblo Detachment and, consequently, discredit the Army in the eyes of the international community.

Vargas urged the leaders of the repatriates not to engage in irresponsible actions that endanger the lives of many innocent people, who have returned to the country to live in better conditions and in an atmosphere of peace and harmony.

She mentioned that the demonstrators were accompanied by several foreigners—mostly Spaniards—who, with Ixcan Grande Cooperative leaders Rubio Mejia, Maria Guadalupe Garcia, Adelino Ramirez, and Sebastian Sales Morales, announced at the detachment that they were going to demonstrate.

Vargas said: "Edgar Diemey Diaz and Mario Raul Castaneda, CEAR [Special Commission for Assistance to Repatriated People] directors, told us that they tried to talk the repatriates out of conducting an activity of this type, but the cooperative leaders opposed their argument."

Lastly, she said that the last report received by the head of the detachment stated that 800 people demonstrated, threw rockets [cohetes], and chanted slogans against the Army; therefore, it was not a peaceful demonstration.

Monetary Board Approves 1994 Policies

PA1712162093 Guatemala City PRENSA LIBRE in Spanish 11 Dec 93 p 94

[Report by Manolo Acabal and Byron Dardon Garzaro]

[Text] Last night the Monetary Board approved the country's monetary, exchange, and credit policies for 1994. Some of the most important decisions include lowering interest rates by reducing by 1.5 percent the size of mandatory deposits in the Central Bank and eliminating loans to the public sector.

According to the approved document, the inflation goal was set at eight percent, and the economy growth rate, or GNP, at five percent. This is the same rate the board had set for 1993 and which will not be reached, because it is expected to stay at four percent at the end of the year.

As for the monetary policy, it was agreed to lower the mandatory deposits at the Central Bank by 1.5 percent. This measure, which seeks to lower interest rates, will become effective in February and conclude in April. The rate will be reduced by one-half point every month.

In addition, monetization was set at 322 million quetzales. Efforts will be made to prevent the Bank of Guatemala's operational losses from exceeding 672 million quetzales. The Bank of Guatemala's open-market operations were set at 1.7 billion quetzales. "This decision was made because the Central Bank at no time can stop issuing CENIVACUS [expansion unknown] and CDP's [public debt certificates]; otherwise, inflation would

increase due to excess liquidity," Jaime Camhi, private sector representative to the Monetary Board, has said.

Another item in the monetary policy is that obligatory investment remains unchanged. The Bank of Guatemala has been authorized to invest as much as $50 million in time certificates in the United States. Concerning credit policy, loans to the government and other public institutions have been suspended; in addition, the government will amortize 453 million quetzales of its debt with the Central Bank. The exchange policy will also remain unchanged. Monetary reserves were set at $535 million.

Some suggestions for the government on fiscal policy came up during the debate. The proposal to make these suggestions was left to be studied in depth at the next Monetary Board meeting, however.

"The essential part of the new policies is that they seek to stabilize the economy, check inflation, and lower interest rates, which presently are three or four times higher than in most countries," Camhi said.

Honduras

Government Sends 1994 Budget Bill to Congress

PA1712154693 Tegucigalpa EL PERIODICO DE HONDURAS in Spanish 13 Dec 93 p 3

[Report by Fredy Guzman; all figures as published]

[Text] Tegucigalpa—The Education Ministry will have a budget increase of 156.1 million lempiras for 1994, while the amount assigned to the Health Ministry will only increase by 1.9 million lempiras, according to the budget bill that the government has sent to the National Congress. The bill also allows for a 2.3-million lempiras allotment for the operation of the Environment Ministry, which was created by Rafael Leonardo Callejas's administration.

The budget, which Congress has approved for 1993, amounted to 5,836,557,869 lempiras and included 4,762,822,970 in national funds and 1,073,734,621 lempiras in foreign funds. For next year, the Ministry of Finance and Public Credit and Planning, Coordination, and Budget (SECPLAN) have recommended a national budget of 6,051,450,502 lempiras, which includes 5,212,093,931 lempiras in national funds and 839,356,571 lempiras in foreign funds. This means that the foreign funds to finance government expenses will decrease next year and that the budget recommended for 1994 is higher by 214.8 million lempiras to the one implemented this year.

The 1994 budget also includes a 2,371,185-lempira allotment for the Environment Ministry, an office created by the Callejas administration.

Increase

The 1994 budget bill is increased by more than 100 million lempiras, as the Callejas government promised to give wage increases to medical doctors and government employees. Initially, it had been announced that the budget would be approved next year so that the new government could make the necessary adjustments. Legislative Branch President Rodolfo Irias stated categorically, however, that "this Congress will approve the national budget."

Marco Augusto Hernandez Espinoza, legislative branch vice president, recalled that "the increases promised to medical doctors and government employees must be included in the 1994 budget, and it is possible that those allocations will not be included if the budget approval is left for next year."

"The government budget bill will receive its first debate this week," Congress Secretary Nahun Valladares also announced.

Carlos Montoya, former Congress president, believes, however, that "we cannot tie the next government to a budget that does not adjust to the expectations for its first year in government. When I was Congress president, we allowed Rafael Leonardo Callejas' government to approve the 1990 budget according to its need," Montoya stated.

Additions and Subtractions

The Education Ministry is the ministry that will have the highest increase in its 1994 budget; from the 791.6 million lempiras approved for this year, it will go to 947.7 lempiras in 1994, which is a 156.1-million lempira increase.

The Government Ministry budget increases from 142.7 million lempiras to 169.8 million lempiras; the Natural Resources Ministry budget goes from 146.3 million lempiras to 203 million lempiras; and the Defense Ministry budget increases from 262.7 lempiras to 292.7 million lempiras. The legislative and judicial branches budget also increased, and the public debt increased by 187 million lempiras. The Public Health Ministry only increased by 1.9 million lempiras, however.

The Communications, Public Works, and Transportation Ministry (SECOPT) budget decreased by 60.2 million lempiras, and the National Electoral Tribunal [TNE] decreased by 22.5 million lempiras.

The following is a comparative table between the 1993 budget and the recommended 1994 budget, as well as the differences between budgets:

Body	1993 Budget in Lempiras	1994 Rec. Budget in Lempiras	Difference in Lempiras
Legislative Branch	44,224,494	56,064,494	+ 11,840,000
Judicial Branch	45,649,615	60,551,100	+ 14,901,485
TNE	48,000,000	25,500,000	- 22,500,000
Executive Branch President of the Repupblic	21,188,245	23,961,805	+ 2,773,560
Government	142,753,605	169,879,500	+ 27,125,895
Foreign Relations	53,711,665	54,375,600	+ 663,935
Defense	262,700,000	292,700,000	+ 30,000,000
Economy	24,897,704	31,467,736	+ 6,570,032
Finance	70,591,492	73,315,339	+ 2,723,847
Attorney General	2,966,600	3,008,740	+ 42,140
Education	791,660,495	947,783,607	+ 156,123,112
Health	612,503,477	614,454,302	+ 1,950,825
Culture	12,628,610	14,462,019	+ 1,833,409
Labor	51,633,309	51,998,189	+ 364,880
SECOPT	755,858,685	695,611,158	- 60,247,527
Natural Resources	146,342,262	203,011,260	+ 56,668,998
SECPLAN	25,828,500	17,481,499	- 8,347,001
Public Debt	1,973,241,964	1,160,317,279	+ 187,075,315
Centralized Services of Executive Branch Exp.	750,176,869	553,062,690	+ 197,114,179
Environment		2,371,187	+ 2,371,690
Total	5,836,557,591	6,051,450,502	+ 214,892,911

LPH Votes To Include Referendum Measure in Constitution

PA1912014093 Tegucigalpa EL PERIODICO DE HONDURAS in Spanish 17 Dec 93 p 10

[Report by Fredy Guzman]

[Excerpt] The division within the Liberal Party of Honduras [LPH] again became evident last night when 18 of its members voted in favor of a proposal that incorporates the plebiscite and referendum stopgap measures into the Constitution. Despite the fact that the LPH leadership had decided not to support the plebiscite or the referendum, 18 party members did not obey this decision.

Following a lengthy debate in which 18 deputies took part and 25 others who had requested the floor did not get a chance to speak, Congress approved the bill, which required a two-thirds majority because it reforms the Constitution.

Some 85 votes were needed to approve the bill, which secured 88 votes. The National Party of Honduras had 71 votes plus two from the Innovation and Unity Party, for a total of 73. This, however, was not enough to reach the two-thirds majority required. At least 12 Liberal votes were needed. In the end, the bill received 18 votes from the LPH. [passage omitted]

Nicaragua

Unidentified Gunmen Attack FSLN Meeting

PA2012021993 Hamburg DPA in Spanish 0137 GMT 20 Dec 93

[Text] Managua, 19 Dec (DPA)—Unidentified gunmen today threw a grenade at and opened fire on members of the opposition's Sandinist National Liberation Front [FSLN], who were meeting in a Nicaraguan department. Radio Ya, a privately owned radio station, has reported that the grenade killed FSLN members Manuel Lopez Loasiga, 25, and Marvin Loasiga Martinez, 23, who were participating in the meeting in the town of Esquipulas, 28 km southeast of Managua. According to reports available this evening in Managua, the Sandinist meeting had been called by the local municipal committee and was taking place in front of the Catholic church in Esquipulas.

Foreign Minister Remarks on Release of U.S. Aid

PA1812143793 Managua Sistema Nacional de Television Network in Spanish 0100 GMT 16 Dec 93

[From the "National" newscast]

[Text] Nicaraguan Foreign Minister Ernesto Leal has said that President Clinton's decision to release $40 million was a promise that was kept and will become effective in early January. Leal has also referred to the objections raised by four Republican senators, including Jesse Helms.

[Begin recording] [Leal] We expected that certain senators, such as those who signed this letter, would express this concern. I do not consider that these concerns have any validity in light of the fact that they mention a series of events in which Nicaragua, Dona Violeta's government, is making substantial and important headway. Regarding the problem of foreign corporations and properties, there is an administrative procedure already established and an indemnity process to return properties. More than 130 proprietors of U.S. origin have received compensation or had their properties returned to them. We regret that they are not convinced of the progress made by President Chamorro's efforts for democratic consolidation.

[Unidentified reporter] Could this affect the release of the $40 million, which President Clinton himself announced?

[Leal] I hope not. Here, we are dealing with four Republican senators who sent a letter to Secretary of State Warren Christopher. President Clinton has made the decision at the highest level of the U.S. Administration and announced that the $40 million of frozen aid would be released, aid that we will probably receive in early January. [end recording]

Lacayo Addresses Donor Countries Meeting

PA1812145593 Managua Sistema Nacional de Television Network in Spanish 0100 GMT 17 Dec 93

[Report by Erica Ramirez; from the "National" newscast; passages within quotation marks recorded]

[Text] Presidency Minister Antonio Lacayo has addressed the meeting of donor countries and summed-up the adversity Nicaragua faced during 1993. He has said that despite this, significant headway has been made, such as a 20-percent increase in exports, adding that these successes need to be reinforced by the international community during a second phase of productive cooperation.

A significant reduction in the trade balance and a 20-percent increase in exports are some of the achievements reached during 1993, despite adverse circumstances ranging from instability in the countryside, confrontation, and a harsh rainy season, obstacles that are being overcome.

[Lacayo, in progress] "...guaranteeing the best production figures for the past seven years, with 2.4 million quintals of rice; 1.5 million quintals of beans; 6.2 million quintals of corn; 1,000,000.080 million quintals of coffee; 420,000 quintals of peanuts; and 300,000 quintals of soybeans. Initial estimates indicate that the effect of these products we are beginning to harvest will increase the gross agricultural product between 10 percent to 20 percent in 1994; this, combined with other important growths estimated for the fishing sector and others, indicates that we can expect a 3-percent to 4-percent GNP growth for 1994."

These macro economic advances were attained through the solidarity reactivation and strengthening of democracy, which in 1994 will enter a new phase during a second phase of relations with the international community, which require new means of productive cooperation.

[Lacayo] "We must ensure economic growth through your cooperation by medium-term credits to bolster those private sector productive activities, in which Nicaragua has a guaranteed potential, thanks to the results we are obtaining today in important areas of national production. I am referring to coffee and cattle, where the renewal of old plantations and the restocking of breeding cattle ranches are essential to continue increasing production and exports."

Support is also needed in cotton production, soybean, and peanuts, plus nontraditional products. Lacayo told the donor countries that Nicaragua will be an example of solidarity.

[Lacayo] "Our stoic people have not yielded one bit from their project of reconciliation and peaceful living throughout this hard and adverse 1993, and that is why we say we have advanced in Nicaragua, breaking ground as we move along."

Bishops Urge Changes in Economic Cabinet Members

PA1812163093 Managua BARRICADA in Spanish 15 Dec 93 pp 1, 16

[Report by Jorge Katin]

[Text] The Bishops Conference asked the Presidency of the Republic to change certain individuals of the current economic cabinet, one of the three bishops who participated in the meeting with Cardinal Miguel Obando and President Violeta Chamorro yesterday has told BARRICADA.

CEN [Nicaraguan Episcopal Conference] met with the president and several ministers for two hours at the request of the CEN Secretariat.

After the meeting, Cardinal Miguel Obando said that the most important topics broached by the bishops were those concerning citizens' security, unemployment, and campaigns against AIDS.

Matagalpa Bishop Monsignor Leopoldo Brenes has said that even though they are not economists, it is evident that unemployment is adversely affecting more than 60 percent of the population. "In the rural area of Matagalpa, there are people who eat only once a day," he said.

Brenes said that President Chamorro was informed about the problem that credits are not reaching small- and medium-size farmers, to which she responded that the situation would not occur again next year. "I hope they are not mere promises," he said.

Brenes Confirms Report

The Matagalpa bishop later told BARRICADA that the bishops asked the president to look for people with leadership qualities and skills to guide the government's economic policies. Asked if changes need to be made to the economic cabinet, Brenes answered yes.

"We cannot give the names of the people that need to be appointed or replaced, but changes are necessary," he added.

Asked about CEN's concerns, a cabinet member has said that the government was making an effort to find solutions to the country's economic problems and that for the past two weeks internal discussions were being held to consider the possibility of making "necessary" changes to the economic cabinet.

The source has said that it is a very difficult decision, because these officials have "burned themselves out" defending the government's economic program, and it would be unfair to tell them "you must leave, because you are burned out," but the topic is being discussed with great realism, he said.

It is said in government circles, however, that important changes will not be made to the economic cabinet as long as the negotiations with the World Bank and the IMF for the signing of ESAF [Enhanced Structural Adjustment Facility] are still pending. ESAF is scheduled to be signed during the first quarter of 1994.

The only unconfirmed movement being mentioned until now is that of Agriculture Minister Roberto Rondon for the current director of INRA [National Institute for Agrarian Reform], Boanerges Pepe Matus, in an effort to show signs of change in the agriculture sector.

Justice and AIDS

Another of the topics that the bishops discussed with the president and her ministers is the application of justice. CEN asked for a revision of Law 124, because, according to them, it allows many criminals to come out of prison by paying small fines while the citizens and judges who sentenced them fear for their lives.

Bishop Abelardo Mata demanded an investigation of the court members.

Cardinal Obando has said several times that the topic of AIDS and the use of condoms were discussed during the meeting. The church insisted that the ideal thing is education and loyalty among couples.

UNO Criticizes Reorganization of Supreme Court

PA1712164293 Managua LA PRENSA in Spanish 14 Dec 93 pp 1, 18

[Report by Roger Saurez M. and Ariel Montaya]

[Text] The reorganization of the Supreme Court of Justice—which was carried out yesterday at the National Assembly by deputies representing the Center Bloc, the so-called Unity and Reconciliation bloc, the Sandinist Front [FSLN], and the Christian Democratic Union [UDC]—was strongly criticized by the National Opposition Union [UNO], which accused the executive branch of violating agreements approved last September.

Fifty-eight deputies participated in the National Assembly session, which elected Guillermo Vargas Sandino and Rodolfo Robelo to the positions of Supreme Court magistrates. In addition, the deputies reelected Alba Luz Ramos and Rafael Chamorro Mora, whose term was about to expire on 20 December, to an additional four-year term.

When the appointment of Ramos and Chamorro was made public, UNO Coordinator Roger Mendieta, a conservative, accused the government of having left the Supreme Court of Justice under Sandinist control. Both Ramos and Chamorro have been described as Sandinists.

The UNO believes that of the four slates suggested by the Presidency to the National Assembly, two slates consisted of Sandinists, and the third was a candidate with a marked pro-Sandinist leaning.

The opposition union's protest was forwarded to the Central American presidents, as well as to Cardinal Miguel Obando y Bravo and OAS Secretary General Joao Clemente Baena Soares.

The Supreme Court of Justice will consist of the nine magistrates Orlando Trejos, Santiago Rivas, Adrian Valdivia, Rodrigo Reyes, Enrique Villagra, and the recently elected Guillermo Vargas Sandino and Rodolfo Robelo, as well as reelected Magistrates Rafael Chamorro Mora and Alba Luz Ramos.

Commenting on the magistrates' election, Social Christian Deputy Moises Hassan said that "there are candidates who were elected because they possess sufficient merits, but I believe that Alba Luz Ramos and Rafael Chamorro's reelection is inadequate."

He said that the justices' election "was tied to the executive branch, and nothing has been done." Hassan added that the UNO should not have harbored hopes of a court reorganization in the same manner it was agreed upon last September.

The alleged lobbying by the four blocs that elected the new justices lasted approximately 90 minutes. The UDC deputies had a lively talk with the Sandinist deputies, while members of the other blocs told reporters that the "talks were on the right track."

Carlos Gallo told LA PRENSA before the session continued that the Center Group deputies opposed Guillermo Vargas Sandino's election, because he accused them of being close to the government. "There was a bottleneck, but it seems that things are moving along," he said.

The Center Group seemed ready to support the candidacy of Francisco Plata Lopez, who also had the UDC's backing, but at the last moment the pressure from the executive prevailed in favor of the candidacy of Vargas Sandino.

Deputy Luis Sanchez, in turn, said that despite the reelection of certain pro-Sandinist justices, the new makeup of the Supreme Court is still a cause of some expectation, because there are six justices who are not affiliated with the Sandinists.

This situation could instill confidence in certain individuals who hope that justice is meted out properly, "although it is almost certain that in certain decisions having a political nature this court will not take measures that will hamper the shared government with the Sandinist."

Government Rebuffs Charges

PA1712200593 Managua BARRICADA in Spanish 15 Dec 93 p 16

[Text] The government has rebuffed the charge that President Violeta Barrios de Chamorro has violated an agreement to include UNO [National Opposition Union] members in the three-name slates of candidates to the Supreme Court of Justice. Labor Minister Francisco Rosales, a member of the government commission, showed a letter sent to UNO Coordinator Roger Mendieta Alfaro on 2 December in which the government faulted the coalition for failing to keep its commitment to send proposals for three-candidate slates for the election of justices.

Rosales said on 14 December that UNO did not respond to that request after that date. Mendieta Alfaro has said that there was a problem with the letter, because it got "misplaced" in his desk, although this does not justify, in his opinion, the "rush" with which the executive sent the slates to the National Assembly. "If the government had willed it, it would have called us again to remind us about the slates," the UNO coordinator said, adding: "This is a matter of political commitment." According to Mendieta Alfaro, the lists were never drawn up, because the government did not reach agreements with the UNO commission chaired by Miriam Arguello regarding recomposition of the National Assembly's Board of Directors.

At UNO's request, the agreements are total, Rosales said. If all of the agreements are not signed, none of the sides are bound to keep any of them separately, he added. "There were never any lists or slates on which to decide, which is why the complaint by UNO friends makes no sense," the official said.

UNO sent a protest letter to President Chamorro the night of 14 December and filed a protest before the Central American presidents and the OAS General Secretariat for the alleged violation of an agreement reached between the UNO and government on 2 September. The UNO Political Council rebuked the president for allowing, they said, the FSLN [Sandinist National Liberation Front] to retain control over the Supreme Court of Justice.

National Assembly Concludes 9th Legislature

PA1712130393 Managua BARRICADA in Spanish 16 Dec 93 p 14

[Article by Jorge Katin]

[Text] With 59 deputies in attendance, on 15 December the National Assembly concluded its ninth legislature, which, during its last day in session, obtained a record quorum for 1993.

In contrast with 1992, this year the attendants included cabinet members and most of the accredited ambassadors in Nicaragua.

The new Supreme Court magistrates, who were elected on 13 December, were sworn in before the closing speech by Gustavo Tablada, president of the Assembly Directorate.

According to Tablada, this action allowed for the promulgation of various laws to fill existing legal voids.

Of the 19 laws that were approved, the most important ones include the Amnesty Law, the Citizen Identification Law, the Additional Benefits for Retirees Law, the Allocation of State Assets and Regulating Organizations of Public Services Law, the Budget Law, and the Reform Law of Constitutional Articles 192 and 195.

Sergio Ramirez, head of the Sandinist Front of the National Liberation faction in the National Assembly, expressed his satisfaction with the 11 deputies who were brought into the assembly plenum of the 48 deputies who began the legislature last 10 January.

Ramirez expressed his full confidence when he announced the reincorporation of a significant number of UNO [National Opposition Union] deputies in January 1994. He also said that the Sandinists will meet today with members of the Center Bloc, Unity and Reconciliation, and the Christian Democratic Union [UDC] to agree on details regarding the restructuring of the board of directors and work commissions.

Ramirez said: "If Luis Humberto Guzman runs for the presidency of the assembly, my faction will support him."

UDC leader Azucena Ferrey agreed with Ramirez and urged the leaders of the UNO—the coalition to which she belonged until yesterday—to make a decision in line with the new political situation.

Presidency Minister Antonio Lacayo, who led the cabinet delegation, expressed his satisfaction with what he called "a return to the National Assembly's legality."

Lacayo said: "Unfortunately, only 59 deputies of the 92 elected attended the session today, but we hope that once the new year begins, all deputies will attend."

What developed as a surprise was the induction into the plenary session of Social Democratic Deputy Daniel Tate, who, following the conclusion of the session, left merrily with members of the Sandinist faction.

It was revealed that Tate will strengthen the Unity and Reconciliation bloc.

The major highlights of the report presented by the Sandinists include their mediation in the transportation conflict, the request for the dismissal of the comptroller general, and the introduction and approval of 70 requests for legal status.

'Schism' Reported Within UNO Political Council

PA1912161693 Managua BARRICADA in Spanish 16 Dec 93 pp 1, 14

[Report by Jorge Katin]

[Text] After four hours of heated debate, only seven of the ten National Opposition Union [UNO] parties have decided to call on the public to take to the streets, as of today, to demand a constituent assembly, the disbandment of parliament, and the replacement of the president of the Republic.

The Nicaraguan Democratic Movement [MDN], the Conservative Popular Alliance [APC], and the Christian Democratic Union [UDC] did not back this convoking, which MDN Deputy Zacarias Hernandez has described as "irresponsible."

Until yesterday's meeting, the UNO decision resulted from a consensus. What happened last night was a veritable schism within the coalition's political council, which has been weakened.

The meeting, which took place at UNO headquarters, was suspended due to a lack of electricity precisely when UNO members were preparing to draft a call for a constituent assembly.

Once outside the meeting room, a very upset Miriam Arguello, of the APC, told Guillermo Putoy, of the Social Democratic Party: "I am not going to ask my people to take to the streets to defend personal interests." Putoy only smiled.

Dr. Arguello, APC's top leader, said that she will not sign this document, because there are indications that there is a feasible constitutional reforms project which is being devised.

Arguello accused the country's three Liberal Party factions and the National Conservative Party [PNC] of sabotaging the effort to produce a constitutional reforms consensus between the UNO, the Sandinist National Liberation Front, and the government.

Zacarias Hernandez said that his party will not back the UNO call either and said that the waiting period that the UNO gave for checking with the rank and file was "an easy way out" used to close yesterday's debates.

The new UNO coordinator, Eli Altamirano, of the Communist Party, said that the commission that will present today the convoking document is composed of the PNC's Adolfo Calero; Alfredo Cesar, of the Social Democratic Party; and Eduardo Rivas, of the National Action Party.

Wilfredo Navarro, of the Independent Liberal Party, affirmed that it is not necessary to have an assembly majority to convoke a constituent assembly, because this can be secured with the people's mobilization and the signing of a political agreement similar to the one reached for the 1990 elections.

Alfredo Cesar has been accused by one of his party's deputies of acting opportunistically and using the constituent assembly issue to secure a leadership role.

The members of the UNO Political Council have accused each other of violating the El Crucero Agreement, through which the alliance decided to grant the coalition members the "opportunity" to negotiate on the reforms before backing the constituent assembly idea.

Adolfo Calero has cautioned that the Resistance Party would replace any party that does not support the call to the people to take to the streets. Calero stated: "I favor a purging of the UNO."

Some of the meeting participants said that approximately at 1000, after the document is signed, they would visit Cardinal Obando to seek "spiritual support."

Panama

Endara Signs Law Curbing Number of Legislators

PA1812162793 Panama City LA PRENSA in Spanish 16 Dec 93 p 1

[Article by Orlando Mendieta]

[Text] President Guillermo Endara has signed Law 28, which limits to 71 the number of legislators that will be chosen by popular vote in the elections of 8 May 1994.

The Legislative Assembly approved Law 28 in a third debate on 3 December during an extraordinary session in which most of the participants were alternate legislators.

The new law establishes that one legislator will be elected for each 40,000 people living in the electoral districts and that a second legislator will be elected for each additional 15,000 votes.

The law, which was published yesterday in the OFFICIAL GAZETTE, modifies the current system—which mandates that one legislator will be chosen for each 30,000 people in the electoral districts, and another one will be chosen for each additional 10,000 votes.

According to the new law, four new legislators will join the 67 legislators working in the Legislative Assembly. The old law allowed that at least 82 legislators were elected by popular vote during the upcoming elections.

The four legislators to be elected will come from the districts of Bocas del Toro, Arraijan, San Miguelito, and Las Cumbres. The law also establishes that the number

of legislators to be elected will remain unchanged in those districts with fewer than 40,000 people.

Political sources have told LA PRENSA that this law may face an unconstitutionality suit based on the argument that it violates Article 141 of the Constitution.

Presidential Candidate Blades Rejects Alliances

PA2012012193 Panama City Telemetro Television Network in Spanish 1730 GMT 16 Dec 93

[Report by Julia Elena Alvear from the "Telemetro Reports" newscast]

[Text] In exclusive statements to "Telemetro Reports," Ruben Blades, presidential candidate for the Papa Egoro Movement, has rejected proposals of forming an alliance. Ending his silence on the subject, Ruben Blades said he will not form an alliance because he would rather be alone than find himself in bad company.

[Begin recording] [Blades] The issue of alliances is a very complicated one.

[Unidentified reporter] Why is that?

[Blades] Because in our country the custom has always been that alliances involve some kind of divvying up of power. An alliance is generally formed to defend certain interests. For us, it is very difficult to think about compromising our agenda in terms of the draft government program that will be issued on 27 December. The conditions for forming alliances—whether formed by new parties or not—implies an allocation of power, and we do not feel comfortable with this.

[Reporter] Will your party run alone in the elections?

[Blades] Yes, indeed, but we will not be alone because we will be accompanied by the people of Panama.

[Reporter] Do you believe that the Papa Egoro Movement has enough support to take part in the upcoming elections on its own?

[Blades] No, we do not have enough support.

[Reporter] Then how are you going to run alone?

[Blades] We will run alone, because it is the only way to preserve the possibility of a political transformation at the national level. I do not see the situation as a matter of just winning the presidency. What we are trying to do is to create the elements necessary to allow our country—particularly the young people—to regain confidence in the political process. [end recording]

PRD Vice President on Presidential Candidate

PA1712172293 Panama City LA ESTRELLA DE PANAMA in Spanish 14 Dec 93 p 1

[Report by Emilio Sinclair]

[Text] The Democratic Revolutionary Party (PRD) is willing to talk to any political organization, but "it will go with its own presidential candidate" and will not make alliances with any "of the parties that were sworn in at U.S. Army Base Fort Clayton," Tomas Gabriel Altamirano Duque stated.

Altamirano Duque, the opposition PRD vice president, made those statements to reporters yesterday during a social reception for Ruben Dario Carles, presidential candidate hopeful for the government sector. Altamirano Duque attended the event as president and director of LA ESTRELLA DE PANAMA.

The PRD vice president also stated that the presidential candidate of that organization will be Ernesto Perez Balladares, and for no reason will the party, (PRD), give up the head of the ballot.

The PRD national convention has nominated Ernesto Perez Balladares as presidential candidate and Tomas Gabriel Altamirano Duque and businessman Felipe Virzi as first and second vice presidents.

"We are open to all of the parties but not to those that took office at Fort Clayton," he reiterated in reference to the political groups that assumed power after the bloody invasion of 20 December 1989.

Reports reveal that there is the possibility that, for the next elections, the PRD could join forces with the Labor Party and the Liberal Republican Party.

Ex-Comptroller General Accepts Presidential Candidacy

PA1812151293 Panama City LA PRENSA in Spanish 17 Dec 93 p 1

[Article by Jose Otero]

[Text] Former Comptroller General Ruben Dario Carles accepted the presidential candidate nomination that the so-called group "Friends of Carles" offered him yesterday. This group is comprised of independent sectors and members of the following political parties: Popular Alliance, Doctrinate Panamenist, Morena [National Renewal Movement], and Mina [National Integration Movement].

During the event held last night at a local restaurant, active members of the political parties Arnulfist, Christian Democratic Party [PDC], PRD [Democratic Revolutionary Party], and Molirena [National Liberal Republican Movement] also participated.

"I am accepting this nomination as candidate, because I believe I have the necessary qualifications given my experience, ties to the nation's reality, personal capacity, energy, and character to make decisions," Carles said.

Carles added that in his work program he intends to unify "all of the nation's sectors, without discriminating against anyone," particularly the younger generation, "because we must improve the nation's future."

He also said that within the group which had decided to support him as presidential candidate there are also members of the people's sectors such as workers, students, and peasants. "This gladdens and greatly inspires me to accept this challenge," he said.

During the proclamation event, the majority of the leaders of the political parties Morena, Mina, Doctrinate Panamenist Party, and a group of the Popular Alliance participated.

Carles said that within the traditional parties such as Arnulfist, Molirena, PRD, and PDC there are "opinion groups" that favor his presidential candidacy.

He said that although certain details have not been resolved, he is confident that the negotiations by the "Friends of Carles" Committee will succeed "in forming a strong support group."

"Although I am a Molirena party member, the Molirena negotiators have not contacted me. Now, they will have to think what they are going to do with my candidacy," he remarked.

Meanwhile, Eusebio Marchosky, a former DRP [Directorate for the Recovery of State Property] magistrate and member of the Carles Support Committee, has said that the goal is to demonstrate to the nation and to all of those who are still not politically defined that there are good presidential candidates and that "Carles is that option," he said.

Mulino on Undiffused U.S. World War II Bombs

PA1712183493 Panama City LA PRENSA in Spanish 14 Dec 93 p 3a

[Report by Jose Otero]

[Text] Foreign Minister Jose Raul Mulino warned yesterday that if the World War II bombs on Iguana Island are not defused before the dry season, a "regrettable accident" could take place due to the many tourists that visit the area.

Government Ministry officials last week denounced the U.S. Government's refusal to defuse three alleged bombs on Iguana Island that have been there since World War II (1939-1945).

Mulino said that he talked with Ricardo Garcia, deputy director of the Government Ministry's Institutional Security, to work out a formula to defuse these bombs with the U.S. Government as soon as possible.

"This must be done as soon as possible, because many tourists go there in the dry season, and a regrettable accident could occur if proper precautions are not taken," Mulino said.

The foreign minister did not specify the date to defuse these bombs but said that he hopes to reach an agreement with the Southern Command on this as soon as possible.

A recent Southern Command communique stated that "the U.S. Government intends to work in coordination with the Panamanian Government to defuse these bombs, wherever they are."

Iguana Island, located in Pedasi District, Los Santos Province, the same as the other Panama Gulf island, was used by U.S. pilots for target practice before being sent off to the South Pacific during World War II.

The possibility was reported that three bombs of that period may be buried among the coral reefs of that island; two of them are 500 lbs. and one is 1,000 lbs., although their exact location is not known.

Nevertheless, because their existence and exact location have yet to be determined, according to Southern Command officers, they can hardly be defused.

Government Ministry officials have denounced the U.S. Government's refusal to defuse the alleged bombs on Iguana Island since World War II, which seems to keep various nearby communities on edge.

Argentina

President Menem Returns From The Vatican

PY1712160393 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1433 GMT 17 Dec 93

[Text] Buenos Aires, 17 Dec (NA)—President Carlos Menem arrived just before 1130 [1430 GMT] at Ezeiza Airport. While on the airport's premises he met with members of his cabinet to evaluate the controversial situation that has arisen in Santiago del Estero Province.

The chief of state arrived from Rome, where he made an official 2-day visit to The Vatican, where he met with Pope John Paul II.

Mayor of Formosa Province Town Denies Take Over

PY1712172693 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1553 GMT 17 Dec 93

[Text] Formosa, 17 Dec (NA)—Fausto Estajarilla, the mayor of Pozo del Tigre, 300 km from this capital city, has denied that the seat of the municipality has been taken over and stressed that work continues normally in the town hall.

The municipal workers of Pozo del Tigre were on strike this morning over a lack of paying their salaries and a report indicated that the seat of the municipality had been taken over, which has now been denied by the mayor.

Demonstrators Stone Police in Town Close to Santiago

PY1712164093 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1609 GMT 17 Dec 93

[Text] Santiago del Estero, 17 Dec (NA)—Some minutes ago hundreds of demonstrators in the town of La Banda, 10 km from this capital city, attacked police with stones and burned some vehicles.

Some of the demonstrators are now outside the house of Justicialist [Party] Deputy Manuel Bellido, who receives the highest salary because he is the most senior member of the provincial legislature.

'Tense Calm' Reported After Santiago del Estero Riot

PY1712195993 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1516 GMT 17 Dec 93

[Text] Santiago del Estero, 17 Dec (NA)—A climate of tense calm interspersed with isolated incidents prevailed here today. The population, which freely visited Government House's destroyed facilities, was only waiting to find out the name of the trustee who will succeed Governor Fernando Lobo.

This morning the national Congress approved intervening in the province's three government branches. At noon today officials were only waiting for President Carlos Menem, who just returned from Rome, to decide who would be the future trustee. The decision is expected at the end of a cabinet meeting the president was holding at Ezeiza Airport itself.

Meanwhile, a contingent of 650 agents from the National Border Police and the Argentine Federal Police arrived in the province. The agents occupied strategic points in the city, mainly in Libertad and San Martin public squares.

Despite all the security, some incidents occurred in front of the cathedral on 24th Street when demonstrators demanded information on the presumed deaths of four individuals on 16 December.

There were some tense moments at Libertad Square around noon when Border Police arrested some demonstrators and provoked isolated reactions from some of them.

The population still is waiting for President Carlos Menem to release the name of the official who will head the intervention of the province. Some of the most commonly cited names are former Social Action Minister Julio Cesar Araoz, Deputy Antonio Erman Gonzalez, and Deputy Jorge Yoma.

Thousands of people walked the city's streets this morning and viewed Government House's facilities that were totally destroyed and were still smoking.

The meeting points were the bars around Libertad Square where people discussed 16 December's violence, which allegedly resulted in four deaths and about 100 injuries, and the possible candidates to intervene the province.

Minister of Government Luis Muriondo, whose house was destroyed by the demonstrators, denied that the demonstrations resulted in the death of four individuals, adding that according to the information made available to him, "only injured people were registered."

With 90 percent of all shops closed and the transportation system totally paralyzed, people gathered at Libertad Square in the early morning hours. The square became the epicenter of the 16 December demonstration.

Hundreds of Border Police agents began occupying strategic points in the city at 1000. The agents moved in groups of 30. Shortly afterward, Federal Police in private company buses also arrived in the city.

It was soon seen that the first groups of security agents took positions in front of Government House, the Justice Palace, and the legislature.

Asked by a NA journalist, people agreed that 16 December's violence was not the work of agitators, "but an outburst by people who are tired of being robbed and who are going hungry."

Besides those complaints, it was possible to read on Government House's outside walls, the only ones that remained standing, painted slogans saying such things as "the time of the lambs is over," "the people will not surrender," "I love [preceding two words in English] Seineldin," "God, fatherland, or death," "rats, sons of a thousand b....," and "traitors, cowards, and thieves."

Municipal cranes worked during the morning under a brilliant sun to remove the 15 government pickup trucks burned on 16 December near Libertad Square.

Local newspapers, mainly EL LIBERAL and EL NUEVO DIARIO, published on their front and interior pages a large number of pictures on the incidents, the looting of officials' homes, as well as on the incidents in front of Jose Zavalia's house.

It also was reported that early today two downtown supermarkets were looted and almost totally destroyed.

Commentary on Revolt

PY1812165593 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1811 GMT 17 Dec 93

[Commentary by Special Correspondent Pepe Eliaschev: "The Bitter Lessons of the Santiago Outburst"]

[Text] Buenos Aires, 17 Dec (NA)—It is quite likely that Menemism may have learned a hard lesson these days. When international television started broadcasting reports on the looting, fires, and terrible wave of violence unleashed in Santiago del Estero, which strongly shook the entire country, they understood that the 1989 "country ablaze" and the "razed land" was not an invention of the radicals nor a direct and automatic product of Raul Alfonsin's government.

All of the inhabitants of Santiago del Estero did was to reveal the consequences of an administration that left a razed land. What took place was a brutal and unmerciful fire, a harsh blow to the promising and benevolent reality that surfaced with the agreement on constitutional reform reached by Carlos Menem and Raul Alfonsin early this week.

What was shattered in Santiago del Estero this week was something greater than the province's mere peace, no matter how important that peace may be.

The current government was forced to swallow this bitter pill at a time when inflation only amounts to 9 percent and not the 196 percent per year in July 1989. The situation, for the government, is much more complex now than it was seven days ago.

The Santiago del Estero revolt detonated a huge and powerful mine filled with explosive material, because what was destroyed reveals the deficiency of the economic scheme currently in force in Argentina.

A Picture of Horror

In the less urbanized area of the Republic (20 percent of what is generated in the province is generated in the rural area), the Santiago del Estero industrial sector only contributes with a shameful 5 percent of its GDP. But the most outstanding and devasting fact is that 32 percent of the province's GDP is generated by the public sector.

Santiago del Estero is unreal. Santiago del Estero's current situation, as a geopolitical unit and as an alleged socioeconomic set up, makes no sense. Its 672,000 inhantants only generate 10 percent of what they consume. In structural terms a sort of real anorexia settled in Santiago del Estero during the past 10 years, during which it was looted by peronist governments: the province gradually committed suicide, losing its GDP level, its inhabitants, and insanely increasing an inadequate and decadent state bureaucracy.

It is a picture of the impossible, a picture of chaos. Santiago del Estero has become a beggar of the Republic, a needy person which the presumptuous national state expects to pay its light, telephone, water bills, taxes, and common expenses. In simple words, it cannot make ends meet. Santiago del Estero has no money. It is organically, fully, and terminally bankrupt. To demand that it pay its debts is like expecting a miracle. It just will not work.

A Sterile Bourgeoisie

When the efficient and well-administered central government demanded adjustments, cuts, and harsh rationalizations, Santiago was forced to face its suffocating impotence.

Three governors have ruled the province from the now destroyed government house since the restoration of democracy: Carlos Juarez, Cesar Iturre, and Carlos Mujica. The governor who took over when Mujica run out through the back door as a consequence of the crisis was Fernando Lobo, who has now been trampled on by the federal intervention. This time the government showed the unusual courtesy of having the measure "approved" by Congress. Juarez, Iturre, Mujica, and Lobo are all Justicialist Party followers and they were all burned by the same flames.

The fact is that the province cannot absorb workers dismissed by the state. New job opportunities are not being created and there is nothing that looks like new production lines or has the appearance of new undertakings.

Santiago's future is limited by the inability of its leadership (political leadership, yes, but also, and perhaps more important, by what can be called the provincial

bourgeoisie) to get smaller and move toward self-elimination for lack of valid productive alternatives. The province is ending 1993 without a chance of being able to sustain itself.

The Same Foolish Language

Local Radical [Civic Radical Union] leader Jose Luis Zavalia blamed the incidents on "intelligence service agents sent by the national government" (total nonsense), and dismissed governor Lobo charged—with foreseeable conceptual mediocrity—that the incidents were the work of "infiltrated agitators."

The colossal gravity of the recent episode was obviously not enough to affect the syndrome of maniacal denial of reality shown by the two rival political leaders. No one can deny that political militants, encouraged by the gravity of the population's outburst, could have participated in such violent episodes. It is possible that such elements joined the demonstrations and provided the explosive material to a climate already prepared for tragedy.

But the spark can burn the prairie only when a lasting drought has turned the territory into an exploding reality.

One of the particularly perverse and worrisome features of the events in Santiago del Estero was that the destructive anger was indiscriminately directed against "politicians," an expression of primitivism stressing the obvious backwardness of the provincial civil society.

The massive insult to political parties, the blind violence against public institutions, and the deaf and bestial anger gives us an idea of the size of the offense inflicted by the rulers (political parties and companies) on their victims, a society of people who cannot collect their salaries and for whom there are no jobs.

The characteristics of such an accentuated belligerence only reflect the great depth of the problem. But the tactics, methods, and styles chosen by the forward platoons of this fed up people have been extremely dangerous and objectively favorable to the participation of people like the "painted face rebels" which do not in fact exist here. The situation is a precise x-ray showing the lack of real coordination between demands and political organization and between unsatisfied needs and the organic mechanisms to satisfy them.

Santiago del Estero is a formidable punch against the intemperate arrogance of an economic team that saw the explosion of an underestimated grenade in its own hand. Now the fires and the razed land are everyone's responsibility, government and opposition included.

Santiago del Estero is in chaos and is an example of failure: government failure, entrepreneurs' failure, labor unions' failure.

Provincial Governors Comment

PY1912022893 Buenos Aires LA PRENSA in Spanish 18 Dec 93 p 4

[Text] On 17 December, provincial governors and officials criticized the events that took place in Santiago del Estero although most of them pointed out that the outbreak of violence should be considered a warning on the status of regional economies.

Entre Rios Governor Mario Moine indicated that the situation in Santiago del Estero was unexpected and emphasized that provincial reorganization should not be approached too pragmatically.

After meeting with Senate President Eduardo Menem, Governor Moine criticized the outbreak of violence in Santiago but asked the federal government to make political gestures toward certain provincial governments to make sure they are not left out in the cold.

Moine said the provinces need more time to reorganize their governments and require true and concrete support.

Misiones Governor Federico Ramon Puerta said: Those of us who have made the necessary adjustments do not have this problem.

In a statement at the provincial airport upon his return from the federal capital, Puerta commented that even though the violence in Santiago del Estero was a sad event, the economic adjustment is necessary.

In Santa Fe, Governor Carlos Reuteman prophesied that 1994 will be a hard and difficult year, adding that those who have a job should be happy and those who get paid on time even happier.

Reuteman attended a meeting of Radical Civic Union and Justicialist Party legislators in his provincial capital. After the meeting was over the government stated that social problems in southern Santa Fe Province are worrisome and explained that the voluntary retirement program that will be implemented next year does not include dismissals of public servants.

City Hall Workers Occupy Offices in Tucuman Province

PY1912020593 Buenos Aires CLARIN in Spanish 18 Dec 93 p 9

[From the Tucuman bureau]

[Text] Tafi Viejo City Hall personnel peacefully occupied the offices of the local mayor and town council on the morning of 17 December, demanding the payment of salaries and family allowances. City Hall workers are on strike and they threatened to blockade highways during the weekend.

Mayor Jorge Yapura Astorga went to the provincial Government House on 17 December hoping to get some answers for the striking personnel who are demanding "immediate solutions."

Vicente Ruiz, one of the leaders of the front of rural unions of municipal workers, reported on 17 December that a blockade of highways the front had ordered was suspended because the provincial government decided to pay rural personnel 35 pesos each. The front indicated that its representatives will meet with the mayors on 20 December after the latter meet Tucuman Governor Ramon Ortega.

Crowd Jeers at Federal Trustee During Installation Ceremony

PY1912021893 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1903 GMT 18 Dec 93

[Text] Santiago del Estero, 18 Dec (NA)—Juan Antonio Schiaretti was installed as federal trustee for Santiago del Estero Province at midday amid open popular discontent. He was no sooner sworn in by Interior Minister Carlos Ruckauf than he was prevented from publicizing his first promise to pay the wages that have been in arrears for four months.

Catcalls, jeers, and insults were hurled in unison by a thousand demonstrators after the installation ceremony of the federal trustee behind a heavily reinforced police cordon. Schiaretti, Ruckauf, and former Governor Fernando Lobo were the targets of the crowd's wrath.

To make things worse, Lobo manage to gate crash the official delegation that, after the ceremony in front of the razed Government House, went on foot to the provincial Federal Police headquarters—located one block from Government House—flanked by an impressive cordon of policemen and Border Police personnel. A tumultuous news conference was then given at Federal Police headquarters.

The presence of the former governor in this delegation incurred demonstrators' wrath to an even worse degree. Police and Border Police ruthlessly drove them back but could not prevent a stone thrown at Lobo from hitting him on the back while he was the target of insults. This unusual situation made recently installed [provincial] Economy Minister Esteban Domina exclaim: "Who the hell put Lobo here?"

This tense day, marked by a sweltering heat of nearly 40 degrees Celsius, began at 1103 when the presidential plane Tango-4 landed at Mal Paso Airport, which was for all practical purposes totally occupied by security forces.

Thrusting its way through the crowd, and amid some exchanges of blows between reporters and Air Force police, the official delegation managed to get on a special bus to San Martin Square. There, Ruckauf, Schiaretti, the new ministers—Economy Minister Domina, Government Minister Jorge Busti, Social Action Minister Alfredo Gutierrez—and Security Secretary Andres Antonietti got off the bus together with Adalberto Diaz Garcia, under secretary for the press and mass media of the presidency. It fell upon him "to dance with the ugliest"—act as a moderator in a news conference for more than 50 reporters.

Schiaretti already had stated in Buenos Aires that he had decided to be sworn in right in front of the ruins of what was Government House. "It is a symbol that I am going to govern for the people," he said after a passionate speech delivered during his installation.

Meanwhile, the people standing in front and at the side of the building behind a double cordon of policemen and Border Police personnel—who added up to some 300—did not stop catcalling and chanting at officials. They even sang the national anthem to show their rejection.

Border Police kept demonstrators at bay by using shoves and a baton charge. The latter reviled federal and provincial officials to no end from the sidewalks of San Martin Square.

It should be acknowledged, however, that there was a minority group that greeted Schiaretti with claps and chants during the installation ceremony. While he proceeded along the street toward Federal Police headquarters, Schiaretti—as a good politician—feigned that he made no distinction between praise and abuse and waved at people with his right hand.

A pale-faced Lobo looked vacantly while he walked behind Schiaretti flanked by two civilian bodyguards. The mob had chosen Lobo as the favorite target of their taunts.

Everything was over soon after midday. And yet everything was about to start. Ruckauf and his entourage got on the bus to return to the airport and from there, to Buenos Aires. In the meantime, Schiaretti and his new cabinet members were discussing where to install their offices while Government House is rebuilt.

Schiaretti has pledged to finish the reconstruction of the colonial seat of government in Santiago del Estero Province by the time he hands over power to the authorities who will be elected in the future. Schiaretti has been quoted as saying that long before that, he will begin regularizing the payment of wages to those who have the least.

Bolivia

Official Vote Tally From Municipal Elections Disclosed

PY1712213793 La Paz Television Nacional Network in Spanish 1700 GMT 17 Dec 93

[Report over still by Amalia Pando]

[Excerpts] The MNR [Nationalist Revolutionary Movement] is the official winner of the municipal elections. The two major losers in the elections are the ADN [Nationalist Democratic Action] and UCS [Solidarity Civic Union].

The National Electoral Court today disclosed the national vote tally and the list of councilmen elected in the departmental capitals.

Let us start with the national vote tally: The governing MNR party finished first with a little more than 32 percent of the votes; Condepa [Conscience of the Fatherland] is the second most popular party [still shows 18.43 percent for Condepa], however, the great difference should be noted compared with the MNR, which obtained almost twice the number of votes; the third most popular party was the MBL [Free Bolivia Movement], also a government party, with 11 percent; fourth came the MIR [Movement of the Revolutionary Left], headed by Jaime Paz Zamora, that obtained approximately 9 percent of the vote; the UCS, headed by Max Fernandez, also a government party, came fifth with a little more than 7 percent; sixth came the ADN, whose popularity dropped drastically during these elections, with only 7.38 percent; thanks to the large number of votes obtained in Tarija, the FRI [Revolutionary Front of the Left] regained its popularity, obtaining 2.1 percent; and the FSB [Bolivian Socialist Falange] obtained 1.97 percent. All the other parties didn't even obtain 1 percent of the votes. The 9th April Revolutionary Vanguard, the Patriotic Convergency Axis, and the MRTK [Tupac Katari Revolutionary Movement] of the vice president of the Republic will possibly have to pay a fine for not winning the minimum of 8,000 votes at the national level. [passage omitted]

In addition to disclosing the official vote tally from past elections, the National Electoral Court disclosed the full list of candidates elected, that is, head and alternate members, who will become councilmen at the end of the month when the National Electoral Court gives them their respective credentials.

Brazil

Rio de Janeiro Halts in Silent Demonstration for Peace

PY1812002793 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 17 Dec 93

[Report by Cid Moreira]

[Text] Love for a city was expressed during two long and moving minutes. Thousands of Rio de Janeiro residents brought activities to a grinding halt today amid a persistent drizzle. It was a silent demonstration against violence and a moment to ponder the future.

Little by little, the color of peace became conspicuous in the streets, on the windows, in the clothes of children, the elderly, flags, and confetti. Meanwhile, street clocks ticked away the minutes. Ten minutes before the city was to come to a standstill, the bells pealed out over the city, summoning Rio de Janeiro dwellers. Midday. Breaking with their tradition, Freemasons showed up in public for the first time dressed in ceremonial dress. This actor halts the traffic in one of the main streets of the city's south side. For two minutes, the Pao de Acucar cable car stops when it reaches the half-way point; bidding at the stock exchange ceases. Rio de Janeiro residents dream of something better for the city they love. This demonstration's organizers meet outside the Candelaria Church, where eight youths were killed five months ago. Two minutes past noon. People embrace each other, clap, and celebrate what could be a new beginning. A long-suffering and maltreated city wants to be marvelous once again.

President Discusses Economy; Admits 'Difficulties'

PY1812145193 Rio de Janeiro O GLOBO in Portuguese 15 Dec 93 p 22

[Text] President Itamar Franco stated on 14 December that if it is necessary he will speak with the leaders of political parties to help convince them to approve Finance Minister Fernando Henrique Cardoso's economic plan.

Franco indicated that before taking the initiative of speaking with the leaders he will evaluate, together with the minister, which points of the plan are running into obstacles in Congress. During a chat with reporters, the president indicated that he will not allow an economic recession, and that he will give his full support to the minister's plan because its success will be the only way to eliminate inflation. He also indicated that he will invite former [Social Security] Minister Antonio Britto to become the government's leader in the Chamber of Deputies.

"I intend to be a patriot, but not a market patriot. A patriot with a modern vision of things. At this time it is not possible to have a recession and this is why I am giving all my support to the plan that intends to fight inflation," Franco stressed.

The president lauded Roberto Freire's position in the leadership. He indicated that Freire was a great patriot and that he carried out a great task at a time when the country was experiencing many difficulties.

"We have experienced one jolt after another. Today I was surprised by Freire's request to resign. I was not expecting this," Franco said.

Despite the criticism that the government receives, the president stressed that the economy is growing. He recalled that the GDP has grown by 5 percent and industrial activity by 18 percent. Franco acknowledged that there are difficulties, and he stressed his support for Cardoso.

"I know we have difficulties, and that there are pockets of poverty throughout the country," Franco said.

Franco Against End of Oil, Telecommunications Monopolies

PY1812004293 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 17 Dec 93

[Text] Speaking in Juiz de Fora, President Itamar Franco today said he is against eliminating the telecommunications and petroleum monopolies, which has been proposed by the government's economic team. Franco added that even though he is against it, he will not oppose it if Finance Minister Fernando Henrique Cardoso submits this proposal to Congress for inclusion in the Constitution.

In an interview, the president confirmed that next week he will receive a study for reorganizing his cabinet.

The president, who on 16 December attended the graduation ceremony of one of his daughters in Juiz de Fora, said that next week he will announce the names of the future ministers of transportation and industry and commerce. He also confirmed the elimination of the ministries of Social Welfare and Regional Integration.

Concerning the future, President Itamar Franco said the next four months will be very important for his government because of the economic plan and the registration of candidates for the 1994 elections.

Reactions to PMDB Leader Quercia's Electoral Plans

PY1812162893 Rio de Janeiro O GLOBO in Portuguese 13 Dec 93 p 4

[Article by Nubia Ferro]

[Text] Brasilia—The internal war for power within the PMDB [Brazilian Democratic Movement Party], which former party president Orestes Quercia unleashed last Saturday in Sao Paulo, might end with that party forming a ticket with conservative parties, instead of a possible alliance with the PSDB [Brazilian Social Democracy Party] for the presidency, in 1994, in case the "authentic" fail to remain in the party leadership. In the opinion of PMDB lawmakers, the consequences of Quercia's criticism of the members of his own party, among them current president Luiz Henrique (Santa Catarina), are "worrisome and unpredictable."

Says PMDB Deputy for Minas Gerais Zaire Rezende, a member of the so-called "authentic" party wing: "The speech by Quercia was only the beginning of an explicit fight for the party leadership. As I see it, the ex PMDB president has appeared as an alternative rightist wing candidate. If he wins the party struggle, he will form an alliance ticket with the PFL [Liberal Front Party], the PTB [Brazilian Labor Party], or even the PPR [Progressive Renewal Party], because Maluf would have fewer chances to defeat leftist wing candidate Lula. This will simply invalidate a center-rightist ticket, which is the objective of social democratic parties."

Rezende did not coneal his concern about losing the war to Quercia:

"The 'authentic' will have to become really involved in the struggle, because Orestes Quercia is smart, he hits hard, and he obstinately wants to be president of the Republic. The anti-Quercia group unfortunately has no leader with Quercia's political strength, I don't mean from an ethical, but from a structural viewpoint.

PMDB Senator for Paraiba Humberto Lucena, the president of the Senate, who according to the "authentic" is closer to Quercia, declined to commment on the speech. He said:

"I believe internal matters should not be discussed outside of the party. But if Quercia demands that the PMDB executive commission meet so that he can prove that he is not guilty of the corruption charges that were pressed against him, it is impossible to avoid granting his demand, because otherwise it might look like curtailing his defense."

Senator Pedro Simon, the leader of the Itamar Franco government and also the strongest anti-Quercia party member, was also criticized by Quercia in his first speech, after eight months of ostracism. Quercia, however, was cautious enough to avoid mentioning Social Security Minister Antonio Britto (PMDB-Rio Grande do Sul), the preferred candidate of the "authentic."

Simon, one of the last party stars in Congress, yesterday said that the speech by Quercia served to show that he is once again on the political scene. The PMDB, according to Simon, is still analyzing the various messages included in the speech addressed to the meeting of Sao Paulo municipal executive boards.

Said Simon: "This calls for deeper analysis. Quercia sent messages that should still be studied. The speech caught many people by surprise and hurt some of them, but not me."

He said the party is ready to listen to Quercia's explanations on the corruption charges pressed against him:

"If he manages to prove that he is clean, it will be positive for him and for the party. I pray that he will manage to provide the evidence that he said he would provide."

Chile

Government Authorities 'Satisfied' by GATT Agreement

PY1812001793 Santiago Radio Cooperativa Network in Spanish 2200 GMT 17 Dec 93

[Text] Chilean Government authorities voiced their satisfaction with the conclusion of the GATT Uruguay

Round, as the negotiations held for the past seven years within the GATT—which has 117 signatory countries—framework are called.

This week a transcendental agreement was reached that will imply the liberalization of international trade.

According to Finance Minister Alejandro Foxley, Agriculture Minister Juan Agustin Figueroa, and the Chilean ambassador before GATT in Geneva, Ernesto Tironi, the agreement reached in the Uruguay Round is balanced because it involves all the negotiation areas. This is an important issue. Chile has always maintained that no results or agreements would be reached in new trade areas, such as intellectual property and services in particular, if the agricultural, textile, and clothing sectors as well as significant reductions of tariff and nontariff barriers were not included.

Moreover, the conclusions are deemed satisfactory because they open promising prospects for world trade as well as for Chile.

Ministers Figueroa and Foxley and Ambassador Tironi said today they were satisfied because the agreements will strengthen and broaden the multilateral trade system, liberalize trade, uphold nondiscrimination principles, and enforce the law for solving disputes. In this sense they referred to the creation of an international trade organization, a place in which countries such as Chile can raise their problems and disagreements regarding the developed countries.

President-Elect Holds First News Conference

PY1712193093 Santiago EL MERCURIO in Spanish 13 Dec 93 pp A1, A12

[Excerpt] President-elect Eduardo Frei said on 12 December that Latin American integration will be a priority for his administration, thus pursuing the goal initiated by the current administration. He emphasized that during the past few years Chile has signed free trade agreements with virtually all Latin American nations.

The president-elect noted that it is necessary to pursue regional integration, especially because 17 percent of our exports currently are shipped to our continent's markets, with the advantage that manufactured products are being sold and not just raw materials, which were traditionally shipped to developed nations.

The president-elect announced his goal of enhancing our relations with Bolivia. In this regard, he repeated a remark made by Bolivian President Gonzalo Sanchez de Lozada, who, during his recent visit to Chile, proposed to help seek an outlet to the world for his country.

The president-elect emphasized: "This is what we are going to do during the next few years, and we will work faithfully to enhance and improve our relations with that country."

The president-elect stressed that, in the future, it will be necessary to enhance Latin American integration at the economic, social, political, and cultural levels. He noted that this would be one of his administration's priorities.

Concerning Latin American integration, the president-elect emphasized the high levels of exchange achieved with Argentina in the fields of commerce, investments, and joint projects.

The president-elect emphasized: "We will pursue this line because we believe that Latin American integration is a precondition for the future of our nations, especially vis-a-vis the North American Free Trade Agreement (NAFTA), the Asia Pacific Economic Cooperation (APEC), and the EEC."

The president-elect mentioned these actions—to be implemented by his administration—during his first news conference with national and foreign media after he won the 11 December presidential election with 58.01 percent of the valid votes cast.

Addressing about 100 journalists, Eduardo Frei emphasized that his administration will firmly promote a free trade agreement with the United States or Chile's entry into NAFTA, an issue that must be discussed with the United States, Mexico, and Canada.

Frei stressed that it will be possible to maintain our country's 6 percent growth rate for the next few years despite the international crisis, especially since inflation and unemployment are under control and international reserves are high.

Nevertheless, the president-elect admitted that the situation will be different if the international recession continues for two to five years, which would represent a serious problem for our country in maintaining the level of its exports and its growth rate.

Nevertheless, the president-elect optimistically said the recession is beginning to recede, both in Asian markets and the EEC.

On the political order, the president-elect supported the policy of agreements and consensus. He held the binomial electoral system responsible for the coalition alliance's failure in achieving the majority required to implement the constitutional reforms the government of Patricio Aylwin left pending.

The president-elect emphasized that his administration will implement a policy of seeking political agreements with all parties represented in Congress and the committees of senators and deputies. He noted that this was the path pursued to achieve the consensus that will allow reducing the presidential term to six years, without re-election.

Frei confirmed that he wants to be the president of all Chileans and that his actions will be aimed at seeking a broad national unity. He believes this will be facilitated by the fact that there is an agreement with the opposition

on reducing extreme poverty and improving health, education, and citizens' security.

Frei expressed his hope of facing a loyal and democratic opposition in order to seek agreements that will allow achieving the pending reforms.

1The president-elect emphatically pointed out that his stance involves respecting the Judicial Branch's decisions because the state of law prevails in our country. He indicated that for this reason it was appropriate for the courts to decide on the prosecution of retired General Manuel Contreras in connection with the assassination of former Foreign Minister Orlando Letelier and on the appointment of a trial judge to investigate the killing of Carmelo Soria, a Spanish foreign official.

The president-elect confirmed his campaign's proposal that the president of the Republic must regain the right of appointing the Armed Forces' commanders in chief. He insisted that this is a problem of principles and that, for this reason, he will always struggle to regain this right, abiding by the Constitution and the laws.

Frei emphasized that in recent years the Armed Forces have respected the legally established power that was sovereignly elected by the people. He noted that the government and the state have respected the professional role played by the Armed Forces. Frei emphasized that, if these two basic principles are respected, "we will not have any problems."

Concerning the formation of his cabinet and his government team, Frei emphasized that there is a political agreement within the coalition alliance that he will respect. This agreement establishes that his administration will be based on the principles of nonpartisanship, excellence (the best people will be chosen), and efficiency, respecting the ruling coalition alliance's political balance.

Frei believes that he and the coalition alliance achieved a great electoral result, for which he is very happy.

The president-elect ruled out the possibility that the high number of votes he received in the elections would give him more independence in the formation of his government team. He again expressed his goal of including in his team the independent people who worked on the presidential campaign.

Concerning the pending border problems with Argentina, Frei noted that 24 historic border problems existed when President Aylwin was inaugurated. Today, he noted, it can be said that 22 of these conflicts were solved through agreements reached between the two countries and two of them remain pending. One of the pending border conflicts is under arbitration and an agreement has been reached between the two governments on the other one, an agreement that must be ratified by the respective congresses. Frei pledged to personally struggle to have the latter agreement approved by the two congresses.

Concerning our national reality, Frei stressed that there will not be any backward steps, especially after the 11 December elections in which the Chilean people expressed their democratic will.

Asked if there are any plans to reactivate the unsuccessful "Aylwin Law" on speeding up the trials of military officers involved in human rights violations, Frei responded that his administration will support all the initiatives that will guarantee an efficient performance by the courts.

Asked why the congressional candidates fielded by his party, the DC [Christian Democratic] (which lost congressional representatives), did not receive his "plus" while the candidates fielded by the coalition alliance's left (which gained congressional representatives) did receive his support, Frei said he had campaigned as a coalition alliance's candidate.

The president-elect added that the coalition's candidates were always present at the campaign rallies and that all the candidates were loyally supported. He said the parties would have to carefully review their electoral results.

Concerning the social field, Frei expressed his goal of having all Chileans receive the benefits of development. To this effect, he said, social investment must be maintained.

Frei noted that social investment must be increased over the next few years. He emphasized the effort made by the government in curbing inflation and reducing unemployment, allowing it to concentrate strongly on the struggle against poverty.

Frei also noted that [defeated independent presidential candidate] Manfred Max-Neef's contribution might be very important for the environmental policies his government might implement. The president-elect added that Max-Neef's contribution might be very important and "we will require it." [passage omitted]

Incoming Administration Sets Course

PY1712213093 Santiago EL MERCURIO in Spanish 12 Dec 93 p B6

[Text] Eduardo Frei's people have been watching their language throughout the electoral campaign. They have never said that things will be "different or better than they are now" but rather that they will be "the same," making it absolutely clear that it will be business as usual after March 1994.

The new administration's program, that is to say the "Programmatic Guidelines of the Coalition's Second Administration," takes the same approach. The only changes—if one can call them changes—are certain adjustments in specific fields: institutional order, education, health, environment, international relations, etc. None of these adjustments implies breaking away from the current course of action.

The guidelines, which total 136 pages, were drafted with the help of 2,000 people under the coordination of Genaro Arriagada, who also wrote the 12-page preamble entitled: "Our Great National Dream."

Paradoxically enough, the paper begins by stating: "We are living in times of historical changes" that are taking place quickly, constantly, and simultaneously. It adds that Chile has a unique opportunity: "This generation can eliminate extreme poverty; change the foundation of the educational system; refurbish and expand the infrastructure of roads, ports, and communications; vigorously increase the GDP and exports; improve the level of well-being of the people; and resolve many specific individual problems." The paper states that "driven by the new administration of the Coalition of Party for Democracy," Chile can grow at more than 6 percent per year, which means that at the beginning of the 21st century the per capita income will stand at about $5,000.

The programmatic guidelines stem from eight basic commitments:

1) Broader and Better Democracy for the New Times

It is stated that the new administration will implement the constitutional reforms that President Aylwin will leave pending, and adds a few new reforms:

- Change the binomial electoral system to a proportional system;
- Establish a single legislative agenda, leaving it to the chambers to decide on the order of priority, and strengthen the deputies' oversight powers;
- Grant the president the power to call a plebiscite whenever Congress rejects a bill to reform the Constitution, or whenever treaties that imply ceding territory are signed;
- Establish a plebiscite to overturn laws and allow the people to propose laws (in certain areas) at the initiative of 5 percent of the constituency;
- Modify the makeup and powers of the National Security Council, the Constitutional Court, and the Electoral Court;
- Provide for direct election of mayors;
- Allow Chileans living abroad to vote in elections;
- Reestablish presidential rights and powers regarding the Armed Forces (promotions, retirements, and defense policy).

There are other proposals dealing with political parties, human rights (expediting the return of exiles, eliminating the death penalty, ratifying international treaties, appointing an ombudsman), administrative honesty (by strengthening public oversight), regionalization and decentralization (which are "part of our program for the country we want," for which a gradual transfer of decisionmaking power is being prepared), justice (through an approach similar to Aylwin's reform of the judiciary), and defense policy (involving subordination of the Armed Forces to the political power, among other things).

2) More Concern for Society and More Participation

The administration is expected to be open to "citizens' participation" and to accept "the diversities of society by channeling the various interests, motivations, and desires that each person may have for himself and his community." The proposals in this area are general, such as "improve and implement channels for local, provincial, and regional participation;" "bridge the gap between the people's everyday concerns and the state;" and "promote the strengthening of civilian society." The proposals get to be a little bit more specific when they address the youth issue (space and opportunities for the young to build their identities), the women's issue (bring them into the stream of development), and the family issue ("support the flexibility of family roles," "promote a policy that would deal with infants from their own viewpoint," and "educate for the exercise of responsible parenthood"). The family issue includes proposals for laws establishing family courts, improving the system of ownership for married couples, punishment for mistreatment, rules for common-law marriages, and encouragement for a "broad nationwide debate to prompt Congress to reach a decision on the various positions regarding divorce."

3) An Economy to Serve All Chileans

According to the guidelines, the coalition's first administration "has laid the foundations on which we can now confidently make the effort to build together the land of opportunities we all want." The key words of this commitment are: eradication of extreme poverty, equal opportunities, participation, and cooperation. The proposed tasks are:

- Stimulate growth and shore up macroeconomic stability;
- Invest in the people, giving them access to genuine opportunities for personal and family progress;
- Strengthen penetration into the world economy and encourage production
- Modernize and strengthen labor unions and labor relations;
- Overcome the infrastructure and transportation crisis;
- Promote competition and develop open and efficient markets;
- Bring the management of public companies and the Chilean Copper Corporation up to date.

Some more specific concepts refer to the increase in public expenditures "at a pace compatible with long-term economic growth," training (through tax rebates and reforms to the Sence [National Training and Employment Service]), incentives for small- and medium-sized companies, improvement of the treatment of export services, agreements to protect investments from double taxation, promotion of industrial modernization in poor areas, and the investment of approximately $1.5 billion yearly in infrastructure.

4) A National Program to Overcome Poverty

The proposition is categorical: "We hope that by the beginning of the new century no Chilean will be living in extreme poverty." It admits that there are still 4 million poor people, 1.2 million of whom are extremely poor. It adds that to achieve the objective, a strong pace of economic growth is vital. But that is not enough, it adds. "The sole provision of funds [chorreo] does not work." The program it announces will be coordinated by a central authority that will set priorities and principles. More emphasis will be put on the programs for the most vulnerable groups (children, young people, women, the aged, and the handicapped).

5) Improving Living Conditions

The initiatives to achieve the objectives of this commitment have to do with health ("more and better health"), which seeks to stress emergencies and equity in access and efficiency; with social security, through greater coverage and efficiency and better pensions; with the environment and natural resources; with the city, "space for encounter and coexistence," "a city on a human scale," (Max-Neef style); with citizens' rights, focusing on emergencies and the fight against common crimes, terrorism, and drugs; and with sports and entertainment.

6) Education, Science, and Culture: Keys to the Future

In the educational area, tasks will focus on expanding and improving elementary school education, increasing the quality and equality (the ideas of former Minister Ricardo Lagos) of basic education, implementing "a deep reform" in high school education (because "it is now undergoing a serious crisis of meaning") that may readjust its organization and curricula, and reforming the Constitutional Organic Law of Education to correct the mistakes that have been detected.

In order to foment scientific research, Fondecyt [expansion unknown] will be maintained, while several initiatives will be taken to support researchers and institutions, also promoting new forms of international cooperation.

In order to promote cultural development, the state will outline the objectives and scope of cultural development, and will adopt policies to promote creativity, diversity, national cultural traditions, etc. It also includes ideas about communication, and it states that it will consolidate free expression, pluralistic views, and that it will preserve ethics.

7) A Foreign Policy for the New Times

The emphasis will concentrate on the economy's internationalization, the priority of Latin America on the agenda, and the creation of commercial alliances and agreements (especially with the United States, Europe, and Pacific Asian nations).

It also describes major general guidelines in the areas of poverty, security, environment, Antarctica, and human rights.

In the multilateral field, among other initiatives, the work will aim at exploring the possibility of Chile joining the UN Security Council in 1996-97.

In order to attain all this, the program states that major state management changes will be introduced in international subjects in order to specify the functions and responsibilities of institutions, improve human resources, and improve coordination with the private sector.

8) Modernize State Management

The program recognizes that the Chilean state and state management "have deficiencies in their organization, management style, and human rights." To overcome this problem, the program proposes a new public management style, designed in line with the desired results, with more efficiency, modern technology and modern principles of organization, sanctions on inefficiency and incentives for good performance, international leadership, etc. A major factor is the strengthening of the control exercised by people and compelling public institutions to release more information on their activities and to listen to people's opinion and complaints.

Coalition Outlines Economic Program

PY1712145593 Santiago EL MERCURIO in Spanish 12 Dec 93 pp B1, B26

[Text] "We must begin to dream again and strive together as a nation for the fulfillment of ambitious and demanding goals... Driven by the new administration of the Coalition of Parties for Democracy (CPPD] the country can grow at over 6 percent per year. This means that, at the beginning of the 21st century, the per capita income will stand at $5,000. Even more important than the amount will be the fact that this income will be more evenly distributed throughout the society, which means that everyone will benefit from the country's growth. Through a joint effort of businessmen, workers, and government, we will increase our exports by 10 percent a year, which will increase the supply of our services and products abroad."

These words were taken from "Our Great National Dream," the title of the government program that President-elect Eduardo Frei presented at a meeting of representatives from various social strata and more than 2,000 professional and technical people.

EL MERCURIO feels it is worthwhile to report the main items of Chile's next president's program.

Poverty: The Main Challenge

The program describes poverty as the nation's main challenge. The program states that the Aylwin administration reduced the number of poor people to 4 million, "of which 1.2 million live in extreme poverty."

The incoming administration proposes a National Program to Overcome Poverty [Programa Nacional de

Superacion de la Pobreza] and states that this goal will be accomplished in a short time.

The state will play a key role. To date the government has spent 120 billion pesos on welfare. In 1992 alone 6.4 percent of the government's social expenses went to welfare.

- Municipalities: A Mechanism To Serve the Poorest People

"Effective decentralization implies giving municipalities greater autonomy to allow them to design and implement specific programs to overcome extreme poverty... Neighborhood committees, other grassroots organizations, and private foundations or Nongovernmental Organizations committed to overcoming extreme poverty will be increasingly involved in the management of the various programs.

- Urban Poverty and Microenterprises

Over 60 percent of the urban poor who have jobs work in microenterprises, which are also a way in which the poor can channel their business ventures because red tape and laws make it impossible to establish legal microenterprises. For this reason most of them are unlicensed. The government proposes to set up a single process at the city halls to handle registration procedures.

An Economy to Serve Everyone

- An Annual Growth Rate of More Than 6 Percent

The future economy must be driven by a permanent and sustained growth of productivity, which is the only road to success amid international competition.

- A High Savings and Investment Rate

The government emphasizes the need to focus efforts on increasing investment.

- Declining Inflation

The new administration hopes to continue to curb inflation, seeking to achieve rates similar to those of developed economies. To attain this objective it is vital to avoid the temptation of resorting to populist measures.

- Commitment to Stability and Fiscal Policy

In a small and open economy like that in Chile, macroeconomic stability is largely dependent on a fiscal policy that encourages sustained public and private savings. It is therefore proposed to:

Maintain the current tax burden but amend the tax system to stimulate savings by individuals and companies;

Increase public expenditures in keeping with medium-term economic growth, increased public savings, and declining inflation;

Allow the increase or reduction of certain indirect taxes within a preestablished range for a limited period of time; and

Make public administration more open by releasing full and timely information on the status of public accounts and the use of public money.

- Incentives for Savings and Streamlining of the Capital Market

The program calls for turning austerity into a "socially accepted value, for which it is essential to eradicate unbridled consumerism and create and develop the habit of saving among the population." The administration will support the establishment of new savings mechanisms which will allow organized communities and families to finance socially essential projects such as infrastructure, higher education, community facilities.

"Conditions are now appropriate for Chile to become a key Latin American financial center." For this to happen, however, it is necessary to first resolve the problem of the secondaria debt, move toward the use of bank drafts, and reorganize the banking industry to better cope with growing competition and the challenges of internationalization.

A large portion of private savings will still be channeled through the AFP's [Pension Fund Managing Companies] which compels the government to decisively tackle the various problems that plague it. The coverage that the system provides is insufficient and the money is concentrated in a few companies. Marketing costs are excessive and are reflected in the commissions.

Investment in the People

- Education: An Investment in the Quest for Equal Opportunities

One of the traits of the new administration will be its efforts to improve the equality and quality of education. Education will be given a higher priority in the national budget and new mechanisms will be developed to encourage eople to save for educational purposes, to encourage private donations, and to help organized communities to become organized in the management and innovation of education.

- Training, Productivity, and Participation: The Road to Development

The new administration proposes to three main objectives as far as training is concerned:

To organize a nationwide system which will give all young people and unemployed workers access to training, which will make it easier for them to get a job;

To encourage training among medium and small companies, and microenterprises; and

To rechannel technical training toward fields that are expected to develop quickly in the future.

Entering World Economy and Fostering Production

The program of the new administration makes it perfectly clear that "Chile's future growth is tied to its ability to continue to expand its exports." The objective is to make exports grow at the same rate they have been growing for the past 10 years. If this happens "exports will have trebled by the beginning of the next century."

Development of Exports

To maintain a high rate of growth the program proposes, among other things:

- To maintain a realistic and balanced rate of exchange that will foster the growth of a dynamic and competitive export sector;
- To establish a straightforward policy to cope with foreign protectionism and distortions; and
- To give export promotion a higher priority.

The Modernization of Companies

The need for greater efficiency is valid for public companies too. "Therefore, the administration will issue a Public Company Statute which will allow these companies to develop along the lines of private companies."

The program sets forth five conditions that must be met for the state to privatize a public company:

Whenever a company is operating in a competitive market or when it is possible to properly oversee or regulate the market in question;

Whenever such privatization does not lead to an excessive concentration of power in private hands;

Whenever an economically reasonable price and openness of the negotiations can be guaranteed;

Whenever the workers rights are guaranteed and they are given a chance to participate in the purchase;

Whenever the funds obtained from the sale can be put to another use that would mean more social benefits.

"The lack of any one of these conditions will mean the company must remain under state control..."

As far as Codelco [Copper Corporation] is concerned, the program states: "Codelco is the world's largest copper-producing company and the largest Chilean corporation... Codelco has strategic value for Chile. Therefore, the copper deposits currently being exploited and untouched deposits should remain the property of the state. Overcoming extreme poverty and changing the nation into a modern and solidaristic society is largely tied to the successful management of Codelco. This, however, implies that the corporation must substantially improve its efficiency and competitiveness by reversing once and for all the downward trend it developed during the authoritarian regime."

The program of the incoming administration also proposes the establishment of a holding corporation by decentralizing Codelco's current divisions and establishing separate companies as required. The headquarters, the four current mining divisions and the replacement deposits will be wholly owned state corporations.

Loss of Quorum Discussed

PY1712232093 Santiago EL MERCURIO in Spanish 13 Dec 93 pp A1, A10

[Text] President-elect Eduardo Frei and the leaders of the ruling parties have admitted that the next administration will have to continue seeking agreement with the center-right parties to succeed in reforming the Constitution.

With the new configuration of the congressional forces, it will be impossible for the next coalition administration to approve amendments to the Constitution without reaching a consensus with the center-right parties.

This is a result of the coalition on 12 December losing the two Chamber of Deputies seats that would have given it the three-fifths of the congressional votes required to approve these amendments. The first electoral results, however, still have to be ratified by the National Electoral Court.

The coalition has elected 70 deputies and will only be able to approve laws that require a three-fifths majority (the Chamber of Deputies' absolute majority, which is equivalent to 61 deputies), and regular laws (that require 50 percent plus one vote).

This, however, is of no help unless the coalition obtains the same majority or reaches agreements with the opposition parties in the Senate, as has been occurring in the cases in which it has not been possible to reach agreements.

The number of deputies in each group of parties has played an important role in the constitutional review seeking to replace the current binomial electoral system with the proportional one.

This system has been approved in the Chamber of Deputies with the exact majority (70 out of the 118 deputies, which was reduced because two coalition deputies had died). Nonetheless, the measure was later rejected by the Senate, where the coalition did not succeed in obtaining votes from opposition parties or designated congressmen.

Recently elected President Eduardo Frei Ruiz-Tagle; Edgardo Boeninger, minister secretary general of the presidency; the Christian Democratic Party Executive Board; and the leaders of the other ruling parties on 12 December recognized the coalition's loss of quorum in the Chamber of Deputies and blamed the binomial electoral system for it.

Frei said that, in compliance with his government program, he will propose several amendments to the Constitution, but will have to always do it through the "broad accord" concept.

He explained that seeking consensus is a way of ensuring the democratic process, and for this reason he will seek it in order to obtain approval of the reforms.

The opposition parties' leaders deemed "extraordinary" the number of votes that Union for Chile Pact (RN-UDI-UCC [National Renewal Party-Independent Democratic Union-Center-Center Union]) congressional candidates won. UDI President Jovino Novoa said: "It has been proven that the country sought to create a solid power balance."

RN President Andres Allamand pointed out that the center-right increased its representation in Congress from 40 percent to 42 percent. He said: "We succeeded in reducing the distance between the UDI-RN bloc and the Christian Democratic Party [PDC]."

Configuration of Forces

After the 11 December elections, the configuration of political forces in the Chamber of Deputies is as follows: 70 coalition representatives divided into 37 for the PDC, 15 for the Socialist Party (PS), 15 for the PPD, one for the Leftist Democratic Participation Movement (PDI), and two for the Radical Party of Chile (PR). Currently, there are 38 deputies for the PDC, 17 for the PS, seven for the Parties for Democracy (PPD), six for the PR, and two for the Allendist Leftist Democratic Movement (MIDA). The two coalition deputies who died this year (Akin Soto of the PS and Milenko Vilicic of the PDC) have not been replaced by other coalition deputies.

In the next administration, the opposition, which won the two seats lost by the ruling parties, will be represented by 50 deputies: 29 from the RN, 15 from the UDI, four independents, and two from the UCC. Currently, there are 32 from the RN, 14 from the UDI, and two independent ones.

In the Senate, however, the coalition lost a seat and has only 21 representatives: 13 from the PDC, one from the PR, five from the PS, and two from the PPD. Currently, there are 22 representatives from the ruling parties divided into 13 from the PDC, three from the PR, four from the PS, one from the PPD, and one from the Social Democratic Party (SD).

The opposition will have 11 senators from the RN, three from the UDI, and three independent ones. Currently, it has 13 senators from the RN, two from the UDI, and one independent.

The terms of the eight designated senators will not end until 1997. The seats left empty by the designated senators will not be filled.

The opposition believes that by continuing to have checks and balances in Congress, the constitutional rules will not be modified and drastic labor and social security reforms that may affect the current economic structure will not take place.

Congressional leaders also will continue to be a subject of political negotiation between both forces (the opposition and the ruling ones). No major changes are foreseen here.

Moreover, a consensus will have to be reached on the chairmanship and makeup of the different specialized committees, both in the Senate and the Chamber of Deputies. Bills proposed by the Executive Branch and parliamentary motions are studied, discussed, amended, and passed in committee.

Quorum, Reforms, and Laws

With regard to the issue of quorum and the required majority, it should be pointed out that three-fifths of actual members in the Chamber of Deputies and the Senate—72 deputies and 28 senators—are required to pass, amend, or repeal legislation that interprets constitutional provisions.

Four-sevenths of actual members in both houses—69 deputies and 26 senators—are required to pass, amend, or abrogate legislation the Constitution considers a constitutional organizational law.

Qualified quorum laws require the absolute majority of actual members in both chambers—61 deputies and 24 senators. These include the death penalty, the law on terrorist activities, the law on advertising abuses, the law on business activities by the state, and laws on boundary demarcation between regions and the creation or suppression of regions and provinces, among others.

Constitutional amendments may only be made if three-fifths of actual members in both chambers—72 deputies and 28 senators—vote for them.

This ratio increases to two-thirds when constitutional amendments pertain to provisions on the Constitutional Court, the National Security Council, the Armed Forces, security forces, the bases of democracy, constitutional rights and duties, and constitutional reform.

The ruling coalition administration has been able to pass two constitutional reforms because they were endorsed by the opposition and a compromise was previously worked out on the issue. The first amendment proposed by the RN pertains to Article 9. It vested the president of the Republic with the right of granting pardons and commuting sentences of those convicted of terrorist crimes.

The other constitutional reform (dealing with regions and municipalities) allowed the direct election of town council members and mayors and created new regional governments.

At present, by virtue of a new and recent political-parliamentary agreement, the president's term of office will be shortened from eight to six years, with no immediate re-election.

A Close Finish

In the senatorial elections, there were two cases in which the margin between the winner and the runner-up was less than 1 percent.

The first one concerns Juan Hamilton (PDC), who unseated his ticket mate, Laura Soto (PPD) in the Fifth Coastal Region by a margin of 0.8 percent. Had Senator Soto won the election, the PDC would have lost one seat in the Senate and its number of senators would have dropped from 13 to 12 and the number of PPD senators would have risen from one to three.

According to the tally from 97.43 percent of the polling stations in the Ninth Northern Region, the coalition ticket lost to the right by a margin of 0.06 percent.

If this changes in the final vote count, besides Senator-elect Roberto Munoz Barra (PPD), the coalition would win another seat for Ricardo Navarrete (PR), thus unseating Francisco Prat from the RN.

If this were the case, the right's representation in the Senate would remain unchanged with 16 senators, and the RN would lose three of its 13 seats. The coalition would keep its 21 seats and the PR would lose one of its three senators, instead of having only one.

There were three dramatic finishes in the Chamber of Deputies. In District 29 (La Pintana and Puente Alto), the coalition lost to the Union for Chile's Progress by 0.79 percent. If it had not, Maximiano Errazuriz (RN) would not have been voted in and Guillermo Yunge, PDC, would have been elected together with Jaime Esteves, PS.

In District 35 (Santa Cruz, Chepica, and Pichilemu), the number of votes polled by the coalition was only 2.45 percent short of the winning opposition. Had the coalition won, Armando Jaramillo, PPD, would have been elected instead of Jose Maria Hurtado, RN, together with Juan Carlos Latorre, PDC.

In the possible scenario where the coalition had won the four seats in two aforementioned districts, both the ruling coalition and the opposition would have maintained their current number of seats in Congress and the former would have been able to pass constitutional reforms in the Chamber of Deputies, though not in the Senate.

Moreover, the number of RN seats in the Chamber of Deputies would have shrunk from 32 to 27 while the number of PDC seats would have edged up from 38 to 39.

The last case involves that of District 34 (San Fernando and San Vicente), where there was hand-to-hand combat between each candidate of the coalition and the right. With regard to the former, Sergio Morales (PR) defeated Hugo Rodriguez, PDC, by a margin of 1.75 percent. As for the right, Juan Masferrer, UDI, won the seat from independent Rafael Cumsille by a margin of 1.27 percent.

Article Shows Distribution of Congress Seats Among Parties

PY1712193393

[Editorial Report] Santiago LA EPOCA in Spanish on 13 December on page 15 carries a 1,000-word article by Marcos Robledo detailing the results of the recent congressional elections held in Chile after 90 percent of the votes were counted. Robledo states that early on the morning of 12 December, although the Christian Democratic Party, PDC, headquarters were silent, people were dancing and popping champagne corks at the headquarters of the Socialist Party, PS, and of the Parties for Democracy, PPD. The article adds that, in absolute terms, the right, grouped within the Union for Progress organization, is the absolute winner. The Center-Center Union, UCC, has thus, for the first time in its short history, obtained a representative in Congress. The Communist Party, however, expressed total dejection over not obtaining a single seat in the Chamber of Deputies. In the Senate, the coalition lost one seat, but the right won another. The PDC, which had 38 seats in the Chamber of Deputies, now has only 37, and that it gained four senators, thus having a total of 13. A general feeling of satisfaction has been noted within National Renewal, RN, the Independent Democratic Union, UDI, and the UCC, which has entered Congress through the main door. The UDI also feels like a winner because it increased from 14 to 15 its seats in the Chamber of Deputies, while in the Senate it increased from two to three seats. However, RN has lost three seats in the Chamber of Deputies, dropping from 32 to 29 seats, while in the Senate it lost two seats, totaling just 11 now. The Communist Party seems to be the big loser of the elections. At Congress level it has not been able to elect one single deputy, and the total number of votes obtained in 1992, which was a surprising 6.5 percent, now dropped to 6.38 percent, the article concludes.

12 December Editorial Analyzes Election Results

PY1712195793 Santiago EL MERCURIO in Spanish 12 Dec 93 p A3

[Editorial: "Electoral Outcome"]

[Text] Until the moment these lines were written, the results of the elections that were just held, although not official or definitive, confirmed the broad trends that the polls had invariably indicated regarding the presidential candidate's election. The only differences resulted from the votes of those who were undecided in the polls. As

more than one specialized polling institution had predicted, these voters supported the most moderate parties. This, however, did not prevent Senator Frei's victory in the first round from becoming unquestionable and granted his future mandate a special strength.

Regarding the election of members of Congress, the results of which were more uncertain because the polls at the district or regional level were not widely accepted or sufficiently disseminated, it seems that the coalition bloc in the Chamber of Deputies has become stronger. In the Senate, however, it did not obtain the majority of votes that many had expected, although this majority would have been of great importance.

The figures released by some polls conducted nationwide on voter preferences regarding political parties foresaw larger support for the coalition candidates for Congress. Personal prestige and local or regional considerations probably have influenced voters and can be used to explain why the number of opposition candidates in Congress did not decrease.

The electoral concept that some candidates to Congress preferred "protected" electoral districts or regions—a concept widely discussed while the center-right lists were being prepared—also was modified in the recent elections.

The 11 December election results reveal that in some cases the concept of "protected" has become that of "unprotected." Competition among strong candidates from the same party list, which was deemed by some as center-right electoral clumsiness, proved profitable for the sector.

The main conclusion resulting from the votes' tally is that there is no important change in the national political equilibrium. The presence of a majority of coalition candidates in the Chamber of Deputies and the Senate could have generated, in the near future, fundamental changes in the national political institutions and the social-economic panorama. Several proposals in the coalition program, which called for constitutional reform—such as modifications to the labor legislation or changes in the basic institutions of the current economic infrastructure—have not materialized so far because the center-right majority in the Senate definitively or temporarily blocked them. Despite estimates, the checks and balances situation has not disappeared and we can continue to expect that the climate of internal political consensus, stability, and the certainty of the economic scheme that prevailed in the last four years will continue to reign in the country.

The steadiness and balance evidenced in all of Sen. Frei's actions contributed to consolidating these expectations. This fact and the huge changes that have been occurring in the mentality of the national and international community in the last decades allow us to discard any fear about alarming troubles.

Finally, we must praise the consolidated atmosphere of civic pride and tranquility that reigned during our elections. This atmosphere prevailed not only in the 11 December elections, but has improved through adequate briefing by official and private sources alike, which is typical of advanced democracies.

Right-Wing Race in Las Condes Analyzed

PY1712201693 Santiago EL MERCURIO in Spanish 12 Dec 93 pp D4, D5

[Excerpts] The presidential race lacked the suspense that abounded in District 23. Chile's future was not at stake in the battle for Las Condes, Vitacura, and Lo Barnechea, but the race there ended up overshadowing the presidential race because the right wing bet its future at the national level in that district. [Two candidates from the right and one from the ruling coalition competed for two seats in Congress] The electoral system and radically different political strategies forced the two most outstanding representatives of the two largest right-wing parties to compete between themselves and run the immense risk, for one of them, of losing. [passage omitted]

RN [National Renewal] President Andres Allamand and UDI [Independent Democratic Union] Deputy Carlos Bombal claimed victory only at the last minute and when the official count was already well under way. [passage omitted]

Putting the issue in dramatic terms, the big if was if Allamand would be permitted to take a firm hold of his party's leadership to re-establish the right wing. He called for an opening of the right to a new generation of politicians with the authority to create an option that would be "broad, modern, and without links to the past," particularly with the military government, capable of compromising and closing agreements.

For Bombal, however, the challenge was to democratically legitimize the military government's successful economic program. For him Las Condes was the best showcase to show what his party wanted for the country.

Allamand proposed a thoughtful vote seeking the support of voters from outside his party and from independents. He was able to get the sympathy of the Christian Democratic Party [PDC], which extended him a hand because he was a leader capable of making things easier for Eduardo Frei. The PDC split-ticket vote guaranteed his victory. He justified the PDC support as something natural. The cost paid for this support was his silence at the time of giving public support to Arturo Alessandri.

What Allamand needed was not only to win, however, but to win by a good margin in order to have enough authority to carry out his proposed reforms within a political reality that has the coalition ahead for a long time. [passage omitted]

Allamand exploited the split vote well. He encouraged it publicly when saying that it was natural to vote for him as deputy and for Frei as president. The paradoxical thing was that the only chance to elect Bombal and Allamand was linked to a PDC gesture to save the right-wing leader. This meant the sacrifice of [ruling coalition candidate Eliana] Carabal.

One of Allamand's main challenges was to make people forget his image as a disruptive leader. He took advantage of his last chance to show he was a well-respected and true political leader. His victory should consolidate his leadership in the largest right-wing party following a party assembly that he probably will convene at the right time. His victory also should push him from the position of a questioned leader to one of recognized leader.

On the other hand, Allamand's ascent should mean the political exile of Bombal at the end of his term. Joaquin Lavin should be spared because as mayor he still has much to do.

The RN would have carried the burden of great uncertainty had Allamand lost because the election would have buried a leader of a stature very scarce today, a leader the right wing will need during the coalition's second government. An internal war to unseat him would have started. And this war would have involved other casualties, here and there, of other prominent leaders who also lost their races. If in addition Bombal had won alone, the UDI would have become the most solid party in the right wing and Bombal and Lavin would have won added personal prestige.

Besides, General Augusto Pinochet's government's close supporters would have reemerged, proposing a harsher opposition to Frei's government.

In this case the UDI would not have accepted any subordination to the RN either.

The election in Las Condes had, therefore, the meaning of a decisive battle for the design of the right-wing parties' future profile. So much so that well-known entrepreneurs came into the open from their anonymous condition as donors of resources to support their candidates.

According to Bombal, it is not necessary to re-establish the right wing, as Allamand claims, because if there is a crisis it is only the result of its leaders' mistakes. Bombal thinks the past is the right's best inheritance and that right-wing leaders should not try to copy coalition leaders. He proposed recomposing the right wing in the new and active style imposed by Lavin. Because if the right wing wants to be the government again, it should show what it is able to do with works. And Las Condes was the best showcase.

According to Allamand, the UDI's strategy was to get him out of the way and that is why the party moved such a well-thought-of deputy from central Santiago to Las Condes. Allamand said that this is why Bombal did not deserve the characterization of "unifying" he gave himself. For Bombal, however, this was a necessary test to try winning both seats. Allamand continued saying that the election of both candidates would need "a miracle" until well past the hour of the election's start. Bombal, however, proved to be right.

From the UDI party's viewpoint, Bombal represented the real unifying proposal while Allamand represented the hegemony of RN. Bombal said Allamand's efforts to get the UCC [Center Center Union] to support Sergio Onofre Jarpa's proposal to unite the UDI and RN was a simple electoral strategy. He reminded that Allamand had opposed the entry of [Sergio Javier] Errazuriz's party [the UCC] into the Union Pact for Chile's Progress.

What was clear was that if Bombal was defeated the country would have lost a style and a deputy, but Allamand's defeat would have meant the collapse of an entire plan for the future. In this unstable climate, the faction headed by Senator Jarpa—who supports the idea of not framing Pinochet's government in the past—had more reasons to erode Allamand's support and finally depose him. It was taken for granted that Allamand would have had to place his resignation at the disposal of the party's general council if defeated.

It is true that Allamand's defeat would have made it easier for the UDI and the RN to approach each other. A leader would have been lost and with him a major part of the confrontation. An internal reordering would have started within RN that would have resolved the long dispute between the traditional right headed by Jarpa, which agrees with the UDI, and the progressive faction headed by Allamand who is viewed favorably eyes by the ruling coalition because this faction is more likely to compromise and permit agreements. [passage omitted]

Leftists Fear Coalition Plans 'To Dismantle' Constitution

PY1812021493 Santiago Radio Cooperativa Network in Spanish 2200 GMT 17 Dec 93

[Text] The UDI [Independent Democratic Union] today called on the rightist parties and its representatives in Congress to adopt a common criteria regarding the election of Senate and Chamber of Deputies leaders. This information was disclosed by UDI leader Jovino Novoa, who warned about the alleged intentions of the Coalition of Parties for Democracy [CPPD] to dismantle the 1980 Constitution.

Novoa, in this sense, recalled recent comments by Socialist Party President German Correa and Christian Democratic Party Secretary Genaro Arriagada at the Libertas Corporation. Arriagada referred to the self-dismantling of the Constitution with the naming of the so-called institutional senators in 1997.

Novoa emphasized the alternatives the rightist sector has and the importance of whom is elected Senate president:

[Begin recording] The announcement the CPPD is making that it will use the next institutional senators to be appointed to dismantle the Constitution compels us to carefully assess the important role that the Senate president will play during the coming four years. The Senate president is a member of the National Security Council that is in charge of appointing four of the nine institutional senators. [end recording]

According to Jovino Novoa, this is the reason why his party calls for coordinated action by those who belonged to the Union for Chile's Progress:

[Begin recording] In view of the public announcement made by the CPPD, the UDI will call a meeting of the member parties of the Union for Chile's Progress, the Senate committees, and bloc leaders so that we can start, as soon as possible, official negotiations with the purpose of unifying our criteria regarding the election of the Senate president and the Senate and the Chamber of Deputies leaders. [end recording]

It was disclosed that the rightist sector's meeting to discuss the election of congressional leaders will be held next week when National Renewal President Andres Allamand returns to the country.

Colombia

Attorney General Warns of U.S., EC Petitions

PA1712203493 Santa Fe de Bogota EL NUEVO SIGLO in Spanish 11 Dec 93 pp 1a, 13a

[Text] The Attorney General's Office warned yesterday that the U.S. Government and the EC are handling several petitions aimed at denying Colombia funds, trade benefits, or cooperation, due to reports of human rights violations.

Attorney General Gustavo Arrieta Padilla stated yesterday in a letter to President Cesar Gaviria Trujillo that according to many agencies specializing in human rights, the national situation is one of the world's most serious.

For Arrieta, to a great extent the complex human rights situation is the result of the domestic armed struggle that has become chronic and widespread, which has affected our society for over three decades, in addition to confrontations by public forces and state security organizations.

In this regard, the letter adds, the guerrillas, organized crime, common criminals, and to a lesser extent the public force have become the main actors.

The attorney general said that abuses by public servants or abuses with their consent are so frequent that citizens demand our intervention to punish those responsible, indemnify the victims, and condition the country's human rights culture.

The attorney general requested of the president that both the handling of the internal public order and resolving of individual and collective conflicts be kept within the framework of human rights, guided by high moral ethics.

Arrieta reminded the president that for the first time in its history, Colombia is facing judicial condemnations and economic sanctions by the international community due to repeated human rights violations.

The attorney general said that it is essential to reiterate our "political resolve of not allowing more arbitrary actions against citizens and show more definite and quicker results in punitive and preventive measures. [no closing quotation mark as published]

Pablo Escobar's Brother 'Seriously Injured' in Bomb Attack

PA1812224593 Santa Fe de Bogota Emisoras Caracol Network in Spanish 2155 GMT 18 Dec 93

[Report by Rodrigo Martinez and German Ramirez from Medellin—live relay]

[Text] Colombia's Caracol Network has confirmed that an attack occurred a short while ago against Roberto Escobar Gaviria at the Itagui high security prison. Rodrigo Martinez has details:

[Martinez] Since 1514 [2014 GMT] we have been reporting to Caracol listeners about the incident at the prison on San Francisco Hill in Itagui Municipality.

A letter bomb exploded at that time, and an injured person was later removed from the prison. Caracol has established that the injured person likely is Roberto Escobar Gaviria, alias El Osito—the brother of the late Pablo Escobar Gaviria.

The injured person was admitted to a Medellin hospital. Two guards—William Torrado and Isidro Molina—were slightly injured in the blast. German Ramirez has information at the hospital where the brother of the late Pablo Escobar was admitted.

[Ramirez] It has been confirmed that the elder brother of Pablo Escobar Gaviria, Roberto Escobar Gaviria, has been seriously injured. Police have cordoned off the clinic. We are at the Las Vegas Clinic. The area is completely cordoned off, and we are not being allowed any nearer. Journalists have been denied access. Right now police and Army units are arriving to remove vehicles from the area.

A Las Vegas Clinic employee has confirmed to us that Roberto Escobar Gaviria was admitted to the hospital a short while ago in serious condition. This is the information we have at Las Vegas Clinic.

Prisons Director on Bomb Attack

PA1912030893 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0200 GMT 19 Dec 93

[Interview with Colombian Prisons Director Luz Helena Angulo by unidentified reporters at the Inravision Television studios in Santa Fe de Bogota; from the "TV Today" newscast—live]

[Text] [First reporter] We are here with Prisons Director Dr. Luz Helena Angulo. Doctor, this afternoon there was an incident at Itagui Prison. Please tell us what happened.

[Angulo] The Justice Ministry and the General Directorate of Prisons have just issued a communique. I will summarize it:

[First reporter] How many points does it contain?

[Angulo] Three points.

[First reporter] What are the points, specifically?

[Angulo] Specifically, Point No. 1: This afternoon there was an explosion at Itagui Prison. The explosion was produced by a letter bomb addressed to Roberto Escobar Gaviria. The letter had as its sender the seal of a department of the Prosecutor's Office.

[First reporter] The second point?

[Angulo] Point No. 2: The Justice Ministry and the General Directorate of Prisons immediately initiated appropriate investigations to establish why this letter did not undergo the strict controls that the General Directorate of Prisons and the Justice Ministry have mandated for this type of correspondence.

[First reporter] What is the third point?

[Angulo] Point No. 3 is that orders have been issued to give medical assistance to the inmate and the two guards who were injured.

[First reporter] Only one person was wounded—Roberto Escobar.

[Angulo] Roberto Escobar and two guards.

[First reporter] I believe that Escobar's mother was visiting the prison at the time.

[Angulo] We have no information about that.

[First reporter] What has been done in Itagui? Has security been increased?

[Angulo] Instructions have been issued to double security staff at the prison and to heighten security for the prisoner in the hospital.

[First reporter] Dr. Luz Helena, how is it possible that an explosive device gets into a high security prison? How is this possible? How do you explain this to the country?

[Angulo] I have already said that we have issued instructions and that the minister has ordered investigations to establish why this happened at Itagui Prison, which features a number of security programs to control this type of correspondence and other matters.

[First reporter] What is the situation at the prison right now, Doctor?

[Angulo] The situation right now is normal. The whole prison is under strict security and everything is functioning wonderfully.

[Second reporter] Doctor, how do you explain that a letter, a letter bomb, was able to reach Mr. Roberto Escobar?

[Angulo] The sender of the letter appeared to be a judicial entity. Such a letter cannot be opened. It passed through the security steps at the prison, and this is why it has been said that an investigation has been ordered to establish whether negligence was involved.

[First reporter] Negligence of the guards? What orders do you have from the justice minister right now?

[Angulo] The justice minister issued this communique and ordered that investigations get under way.

[First reporter] We will then wait for the results of the investigations.

Pablo Escobar's Son Offers To Sign 'Peace Agreement'

PA1912193593 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 19 Dec 93

[From the "NTC News" newscast]

[Text] Juan Pablo Escobar, son of late drug trafficker Pablo Escobar, has offered to sign a peace agreement with his enemies. He says he does not want to be the successor or leader of any organization. Escobar's family insists that their lives are in danger and that it is urgent that they leave the country.

[Begin recording] [Manuela Escobar] When my father died I did not want to cry, because I did not want to hurt my mother. I did not want to cry then. Today, I could not hold it back anymore, because the bomb attack against my uncle affected me very much, in addition to my father's death.

[Juan Pablo Escobar] I want to find peace with my father's enemies and the enemies of our interests and our family. This is what I want for me and for my family's well-being, for our freedom, tranquility, and for Colombia. I also want it for the freedom and the rights of our enemies' families.

[Maria Victoria Henao de Escobar, wife of Pablo Escobar] It is evident. We must leave the country. We have asked the president. We have asked all those who

could help us, because it is obvious now. My brother-in-law's situation proves the state of insecurity in which we are living. [end recording]

Police Director Blames FARC for Attack on Ecuadoran Patrol

PA1912183393 Hamburg DPA in Spanish 1549 GMT 19 Dec 93

[Text] Bogota, 19 Dec (DPA)— General Octavio Vargas, Colombian police director, admitted today that members of the communist Revolutionary Armed Forces of Colombia (FARC) were responsible for the attack against an Ecuadoran military patrol on the border between the two nations.

The ranking official told the private radio station RCN that there is sufficient evidence that proves the participation of an FARC front in the criminal attack in which 11 Ecuadoran soldiers were killed, seven were wounded, and others disappeared.

Vargas said that "due to the way they acted, as well as the intense campaign they are executing in the area of the incident, we can conclude that FARC members are to blame for this action."

He condemned the action, which he described as criminal and insane, and said that joint Army, Navy, and police patrols have been increased in areas near the site of the ambush while Ecuadoran authorities are doing likewise on the other side of the border.

According to reports disclosed in Bogota, the site of the guerrilla action was Putumayo River, in the Amazon jungle, which serves as the border between Colombia and Ecuador.

The guerrillas crossed the border and attacked the Ecuadoran troops, who practically had no chance to defend themselves.

It was reported that the FARC is constantly executing acts of harassment on the border, but there had never been such a high number of casualties in Ecuadoran Army ranks that caused so much commotion and repudiation in the neighboring country.

The FARC is led by the legendary guerrilla Manuel Marulanda, one of the most wanted men by Colombian justice. Marulanda has sought power through weapons for several years.

The FARC's largest refuge area is located in eastern and southern Colombia, especially the jungle regions that border with Ecuador, Peru, and Brazil, to where FARC rebels have retreated due to military operations.

Guerrilla Attacks Cause 16,000 Barrels of Oil To Spill

PA2012041693 Santa Fe de Bogota EL TIEMPO in Spanish 14 Dec 93 p 8A

[Excerpt] Barrancabermeja—Yesterday at 0700, National Liberation Army [ELN] guerrillas dynamited the pipeline that carries gasoline from Ayacucho, Cesar Department, to Barrancabermeja, Santander Department. This is the fifth attack on the country's oil infrastructure in less than 10 days. As a result of the explosion at the 116-km marker in San Rafael, Lebrija Municipality, pumping had to be suspended. In recent days, approximately 16,000 barrels of oil have been spilled in the country's northeast as a result of explosive devices detonated by ELN criminals. [passage omitted]

Government, CRS Guerrillas Sign Political Agreement

PA1912024593 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 19 Dec 93

[Report by Jesus Garzon]

[Text] The government and the Socialist Renewal Movement [CRS] guerrillas today reached a political agreement aimed at achieving peace. The agreement seeks to ensure the guerrillas' reincorporation into civilian life and their transformation into a legal political movement. The agreement was signed in Flor del Monte, Sucre Department.

During the signing ceremony, Government Minister Fabio Villegas Ramirez invited the guerrillas to sit at the negotiating table with the belief that they will be partners in a process through which Colombia will ultimately emerge as the big winner.

In a nine-point document, the subversive group agreed to maintain a unilateral cease-fire while the government reiterated its decision to continue with the peace process. Meanwhile, it was also established that the CRS will have five national and two regional spokespersons during the peace negotiation process.

[Begin Villegas recording] Let us all sit at the negotiating table with the conviction that we are all partners in a process through which Colombia will ultimately emerge as the big winner. [end recording]

The government and the guerrillas agreed on an eight-point agenda to be discussed throughout the negotiating process. Along with other issues, the agenda includes the topics of human rights, the guerrillas' participation in society, legal benefits, and the surrender of weapons.

The government-guerrilla dialogue will be conducted with the Catholic Church's moral support and the international supervision of the Netherlands Ambassador to Colombia (Jan Johan De Roos).

Congress Approves Law Creating Environment Ministry

PA1912203993 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 17 Dec 93

[From the "National" newscast]

[Text] Colombia will have an Environment Ministry. Congress has approved the law creating it. The law establishes incentives for those who replant forests and severe penalties for those who contribute toward contamination. High school graduates who are serving in the military may do so in environmental tasks. He who contaminates will pay. This is one of the main purposes of the Environmental Law, which will guard and conserve the country's natural resources from now on but with full collaboration from the community.

[Begin Aduardo Uribe, National Department of Planning Environmental director, recording] The bill creates several ways for community participation. It allows the people who live along rivers and in forests to speak up and participate in the decisions that will affect their environment. [end recording]

Each municipality will design its own environmental conservation plans. They will receive special support from the police, and the attorney general will delegate environmental matters.

[Begin Uribe recording] There are taxes, fines, and penalties established for destroying our natural resources. There are penalties that can be applied and executed by the public forces, municipal and regional authorities, and the Environment Ministry. According to the law, these entities now have police functions. [end recording]

The project takes off using a $25-million IDB loan followed by the government's contribution. A new aspect of the law is that 20 percent of young enlisted men will be allowed to serve in ecological tasks. There are also awards for those who restore the environment by planting all types of plants and introducing animal species. The government will absorb up to 75 percent of any restoration efforts.

Ω Press Focuses on Samper's Opposition to NFD Ministers

SEMANA 23 Nov, etc.

[Editorial Report] The press has highlighted prospective Liberal Party presidential candidate Ernesto Samper's appeal to President Gaviria to dismiss two cabinet ministers representing the New Democratic Force [NFD], the faction of the Conservative Party headed by Andres Pastrana who is considered the sure choice for that party's presidential candidate. Press reports have pointed to signs of friction between Gaviria and Samper. Published cartoons and remarks by other candidates have been critical of Samper's request.

Samper reportedly made the appeal at a meeting with Gaviria, Minister of Government Fabio Villegas, Liberal Party president Julio Cesar Turbay, and other prospective Liberal Party candidates on 16 November. According to the weekly SEMANA of 23 November, Samper argued that the presence of Development Minister Luis Alberto Moreno and Labor Minister Luis Fernando Ramirez, both NFD members, in the government makes it difficult for Liberals to cite the government's achievements in the election campaign without indirectly helping Pastrana. If those ministers were removed, Samper said, Pastrana would be forced to represent an alternative to the government. According to Liberal Party-oriented, leading daily EL TIEMPO (18 November), Samper also said that Pastrana should be made to state clearly where he stands: with the government or the opposition.

According to the SEMANA report, Gaviria countered that removing the ministers without justification would hurt the Liberals because Pastrana would appear as a "victim," and he reminded Samper of the NFD's support for the administration during difficult periods. Samper reportedly replied that if Pastrana's allies were allowed to remain in the government, the Liberal Party candidate would have to distance himself from the Gaviria administration following the March primary in order to appear as an alternative to Pastrana. Gaviria responded: "That would be suicide," according to SEMANA.

The other prospective candidates attending the meeting sided with Gaviria, as did Turbay, who, while acknowledging the validity of Samper's concerns, said such a move would be "inopportune" at this time, according to SEMANA.

A news analysis in the Conservative Party-oriented Cali daily EL PAIS noted that the two NFD ministers have played an important role in two of the Gaviria administration's most important projects: the "apertura" [economic liberalization] program, and the social security reform bill. EL PAIS said that Gaviria's "angry" response to Samper's request shows that Gaviria considers bringing his administration to a successful conclusion a higher priority than ensuring the success of the Liberal Party candidate. The paper adds that it is not surprising that Gaviria might identify more with Pastrana since "neoliberals understand each other."

EL TIEMPO (18 November) described the meeting as "quite tense, especially due to the apparent distance between Gaviria and Samper," noting that this information came from an unidentified participant in the meeting. In a 21 November report EL TIEMPO stated that the incident shows "once again" that relations between Samper and Gaviria "are not on track."

Responding to press reports of Samper's remarks, Pastrana retorted "a few days ago Samper spoke well of the NFD ministers' performance, and now he's asking for their removal," according to SEMANA. He added: "I

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have never hoped things would go badly for the president so they would go well for me. I know that if things go well for the president, they go well for the nation."

Samper, in a communique issued from the United States, where he was traveling, denied that the meeting had occurred "in a climate of tension" and expressed his support for Gaviria (EL TIEMPO, 19 November). He also defended his statements opposing the NFD ministers' continued participation in the government.

Liberal Party contender Humberto de la Calle, who attended the meeting, said Samper's attitude shows "fear of facing Pastrana in the coming elections" (SEMANA, 23 November). Liberal Party contender Carlos Lemos—who said he had declined to attend because he saw no point in going to a meeting where "they promise one thing and do another," according to EL TIEMPO—suggested that Samper should also ensure that any ministers supporting him (Samper) were also dismissed. Democratic Alliance/M-19 candidate Antonio Navarro Wolff reportedly agreed that ministers allied with any of the candidates should withdraw from the cabinet (EL TIEMPO, 6 December). Enrique Parejo, who earlier in the campaign decided to run as an independent rather than participate in the Liberal Party primary, said the press was overstating the issue. He added, however, that it showed the need for Colombians to vote for change so that "the same political class that [Samper and Pastrana] represent does not continue to run the country" (EL ESPECTADOR, 20 November).

The incident has been lampooned by several political cartoonists. A cartoon in EL PAIS (21 November) shows Samper as a crying youngster tugging at the robe of his "father"—Gaviria—and pointing to "playmates" Moreno and Ramirez saying "I want them out now!" EL TIEMPO (19 November) has Samper pointing to an angry Gaviria—shown standing alongside Moreno and Ramirez who are holding signs reading "Economic Modernization" and "Social Security Reform"—and whispering to Turbay: "Could this be another disguise of that candidate with the mustache?" Another cartoon in the 21 November EL TIEMPO (Sunday Panorama section) shows a tearful Samper jumping up and down, arms thrashing, and pointing at Pastrana, depicted as a dolphin [the Spanish word "delfin" means both dolphin and heir apparent] leaping into the air. The caption reads "Lessons in Colombian hysteria".

Ecuador

Border Ambush Leaves 4 Dead; Colombian Guerrillas Suspected

PA1812011493 Quito Voz de los Andes in Spanish 2300 GMT 17 Dec 93

[From "The Voz Andes" newscast]

[Text] Quito—Military spokesmen reported that an armed Colombian group yesterday attacked Ecuadoran policemen and soldiers along the border, leaving at least four dead, 10 wounded, and 20 missing.

General Alfonso Alarcon, chief of the Armed Forces Joint Command, said the incident occurred late yesterday afternoon on the Putumayo River, which marks the border between the two countries. He added that when a group of 40 soldiers and policemen were returning to their base aboard seven boats after conducting a river operation, they were ambushed and came under gunfire from the Colombian side.

Defense Minister Jose Gallardo said: We presume that the attackers were Colombian narcoguerrillas.

Army Commander General Edmundo Luna said that coordination has been established with the Colombian Armed Forces. The attack might have come from the Revolutionary Armed Forces of Colombia, FARC, or the Simon Bolivar Guerrilla Coordinating Board.

[Madrid EFE in Spanish at 0030 GMT on 18 December, in a related 330-word, Quito-datelined dispatch, adds: "Ecuadoran President Sixto Duran-Ballen today said he will ask the Colombian Government to increase patrols along the border between the two countries to prevent attacks by the Colombian guerrillas. He said the Ecuadoran Army also will increase its patrols in the border area 'to be safe and prevent attacks.'" The EFE report adds that Ecuadoran Vice President Alberto Dahik indicated that "at least 10 Ecuadoran policemen and soldiers were killed, 11 others were wounded, and seven are missing."]

Search Continues for Guerrillas

PA1912175293 Madrid EFE in Spanish 1540 GMT 19 Dec 93

[Text] Quito, 19 Dec (EFE)—The Ecuadoran and Colombian Armed Forces and police are continuing their intensive search by air and land for the Colombian guerrillas accused of "massacring" Ecuadoran policemen and soldiers along the Amazon border.

Quito military sources have disclosed that the operation is being executed by both countries and includes elite forces specializing in jungle combat and armed helicopters.

Approximately 200 rebels of the Revolutionary Armed Forces of Colombia (FARC) ambushed eight Ecuadoran police river patrol boats on 16 December. They fired on the 47 soldiers, killing 11 of them and seriously wounding seven. Two are listed as missing.

The rebels shot to death several survivors and torched their bodies. The soldiers were assisting the police border patrol operations along the San Miguel del Putumayo River.

Six of the eight boats were destroyed in the attack. The rebels used heavy rifles, grenade launchers, rockets and mortars.

Various headlines of today's Ecuadoran papers read: "The Country Condemns the Massacre;" "National Commotion;" "Consternation During Funeral;" and "Guerrillas Pursued."

The press highlighted the pain and sorrow of the Ecuadoran police, who are not used to such events, although Ecuador shares common borders with Colombia and Peru, where there are high levels of violence.

In Quito, HOY showed a photograph of one of the surviving policemen who burst into tears as he embraced General Guido Nunez, National Police commander. Nunez said: "I feel the deepest sorrow and the greatest pain for the loss of my comrades."

Ecuadoran President Sixto Duran-Ballen, who announced that he would demand compensation from Colombia, declared three days of national mourning, to begin 20 December.

The ambushed forces belong to the Ecuadoran Narcotics Company and had been reinforced by a platoon from the 55th Jungle Battalion stationed at the Port of Carmen Base.

Gen. Edmundo Luna, Ecuadoran Army commander, called the attackers "narcoguerrillas" and said that they apparently belonged to the FARC's 32d Column.

Finance Minister Discusses Economic Plan

PA1912015193 Quito Radio and Television Networks Spanish 0151 GMT 16 Dec 93

[Interview with Cesar Robalino Gonzaga, Ecuadoran minister of finance and public credit, by a panel of independent journalists comprising Patricia Estupinan de Burdano, editor of VISTAZO magazine; Walter Espurrier Baquerizo, economic analyst for EL UNIVERSO newspaper; and Raul Izurieta Mora-Bowen, attorney, radio announcer, and president of the Ecuadoran Radio Broadcasting Association; in Quito—live]

[Text] [Unidentified announcer] In light of the complexity and newness of the proposal described by the president of the Republic, we consider it useful to immediately proceed to an analysis and review of the government plan to explain its details and effects on Ecuadoreans. With this goal in mind, economist Cesar Robalino Gonzaga, finance minister and chief of the government's economic team, is appearing before a panel of independent journalists. The panel comprises Mrs. Patricia Estupinan de Burdano, editor of VISTAZO magazine; economist Walter Espurrier Baquerizo, economic analyst for EL UNIVERSO newspaper; and Raul Izurieta Mora-Bowen, lawyer, radio broadcaster, and president of the Ecuadoran Radio Broadcasting Association. We thank all of them for their participation and you, once again, for your attention.

[Izurieta] Mr. Minister, good evening. The petroleum crisis, which apparently is the reason for these reforms and proposals we have just heard from the president of the Republic, will apparently cause a decrease in state income of between $400 million and $500 million, according to figures that have been released.

Various political and labor leaders, and even a former presidential candidate, have insinuated that the way to face this problem is to use funds from the monetary reserves, which according to the government, amount to $1.25 billion. The government, instead of accepting this suggestion, has decided to reach into the pockets of Ecuadoreans. Why, Mr. Minister?

[Robalino] Look, Mr. Izurieta, as an Ecuadoran citizen, as an economist, and as finance minister, I am surprised by this kind of suggestion. I say it surprises me, because it implies that one or more people—people who have suggested that we use international monetary reserves to confront this serious problem faced by the Ecuadoran economy and all of Ecuador—are suggesting things that are totally inconceivable and unacceptable. This suggestion is unacceptable for the following reasons: 1) international monetary reserves are to be used to satisfy fiscal needs; and 2) our international monetary reserves are the property of the Central Bank of Ecuador, and not the national government. The $1.2 billion worth of reserves is not at the disposal of the government or the Finance Ministry. The law definitely forbids the finance minister from going to the Central Bank to request loans of any kind, whether in reserves or in sucres.

Some people do not realize—regrettably, people I know, because we are friends—that the previous government reformed the Monetary Regime Law and forbids loans from the Central Bank to the government and the treasury, and, therefore, the finance minister has no access to such loans. And, believe me, this is a good thing. As an Ecuadoran citizen and an economist of the Republic, I say that was a good reform.

Therefore, we cannot think that it is clever to suggest that we go to the Central Bank to withdraw the reserves, which do not belong to the government, or to make loans that are prohibited by law. It cannot be done. It is impossible, and it is illegal. It is not an option.

Regrettably, the people who have made this suggestion—some of whom are very respected in the country—apparently have no advisers to explain to them that it is impossible. If the government or the finance minister wants to buy a dollar from the Central Bank, for any purpose, the finance minister has to go to the Central Bank with 2,000 sucres in order that they can give him the dollar. Otherwise, the Central Bank cannot give dollars to the finance minister.

Second, if the finance minister, who cannot legally go to the Central Bank for sucres, as was done in the past—even if this were possible in terms of legality, which it currently is not—if this were possible, what would be the outcome? It would mean that resources are coming out of the Central Bank to be spent by the treasury, and this would cause terrible inflation in the country. Moreover, the country has proved this over the past 10 years. If my memory does not fail me, in 1986 50 billion sucres from the Central Bank were passed over to the treasury, and what happened later? The nation was hit by terrible inflation.

Would these respectable individuals really want this kind of measure, which at this moment is illegal because I cannot go to the Central Bank? But even if I could, would they like a national inflation rate of 100 or 200 percent? Is that what they are requesting? This is absurd—totally absurd. Moreover, I am saying this in a forthright, direct, and respectful manner to all of those friends who have suggested such an inconceivable thing.

[Izurieta] Mr. Minister, the state has decided to maintain this investment plan instead of dropping it in the wake of the crisis. What public construction works does the government plan to implement in 1994?

[Robalino] Along with the budget proposal presented two months ago to the National Congress Budget Commission, we included an investments strategy proposal. Two months ago the government reported that we planned to reactive the country's economy. We made plans for an increase in investments by reorganizing public expenditures to channel more resources into social sectors and into works involving irrigation and local roads.

Here is a little illustration I presented to the cabinet: There is an irrigation project in El Oro Province. There are other irrigation projects planned in the highlands and along the coast, but let me speak about the project in El Oro. In Paguin, according to the information I have, the water is dammed. The dammed water cannot be used because irrigation channels are needed. There is no investment plan to build such channels. In less than a year we could make 7,000 hectares suitable for cultivating agricultural products for either export or domestic consumption. This would translate into an increase in our agricultural exports or a hike in domestic consumption. Similar projects are planned.

The government's investment program calls for giving foremost attention to investments designed to increase agricultural production. In turn, this will bolster the supply of goods in Ecuador and, from a supply-side point of view, prepare us to fight inflation in 1994.

The loss of revenues because of the dramatic drop in global oil prices amounts to 1 trillion sucres. If we do nothing about this, we will have to reduce public expenditures by 1 trillion sucres, and this would mean reducing public works projects from those levels achieved in 1993. What would this mean to the economy? I will tell you: The collapse of the country's economic growth and a tremendous increase in unemployment. This is what would happen if we were to do nothing to compensate for the loss of 1 trillion sucres resulting from the drop in international oil prices.

[Espurrier] The president spoke in general terms about the proposal. We hope you will give us the figures. We only know about the drop in revenues of 1 trillion sucres. There is the impression that the government's measures will produce much more income than necessary. For example, it has been said that the VAT [value-added tax] will increase to 18 percent and include additional products. The 8-percent tax increase alone will produce some 640 billion sucres—that is, two-thirds of the 1 trillion sucres needed.

The president said his proposal is ultimately aimed at building a modern state. The way I understand this is that these measures are not aimed at filling the 1 trillion hole but, rather, at changing the nation's tax structure to substantially increase the state's nonoil-related revenues and to create a situation in which the tax burden on the people will be permanently higher than it has been up until now. This would be a true transformation. This means that we would not just compensate for the loss of oil revenues but also produce more income for the treasury.

[Robalino] How do we compensate for the loss of 1 trillion sucres? I could mention the fact that the 1993 budget estimated the price of a barrel of oil at $17, and I could note that the international experts we have consulted believe the average per-barrel price next year will be approximately $10. In turn, there is a $7 disparity

between the per-barrel price of oil in this year's budget and the price we expect in 1994.

Let us suppose I do not take the $17 figure. Let us suppose I take the price of a barrel of oil which, pro forma, must be (?discussed) at the National Congress. [words indistinct] we expect to export approximately 93 million barrels, which multiplied by the exchange rate, gives us 1 trillion sucres in round numbers—1.1 trillion, 1.2 trillion, something like that, something like 1 trillion.

Now, consider this: No funds have been appropriated for the Teachers Law which Congress has ratified. The president approved the law with the democratic intention of heeding suggestions from nearly the entire country, which agreed it was necessary to put an end to the teachers strike and accept the request of Congress and all factional heads who visited the president to ask him to approve the teachers bill. The president decided to accept these suggestions.

Nevertheless, we have no funds, and therefore we must secure them. This is reality; these are the facts. This financing or financial burden must be borne by two institutions: 1) the general budget and 2) the Social Security Fund. In this law there is one article absent from previous bills discussed with the UNE [National Union of Teachers] and a special congressional commission—an article that deals with the teachers' retirement. [words indistinct] and that costs money.

The Social Security Fund will have no money for this. This fund will surely tell the government in the near future that it has no funds and that the government will have to provide them. This will mean that the ball will be passed to the government and the general budget. The Teachers Law has been estimated to cost more than 200 billion sucres. I think the president has mentioned this. It is necessary to find money for such a project. In terms of the 1 trillion sucres mentioned earlier, it is necessary to add this lack of funds for the teachers. These are the facts. In total, the sum adds up to more than 1.2 trillion sucres.

Next, collections—rather, I mean, the tax reform project—via the various proposals we have sent to Congress are yielding projected results. Of course, the tax that will offer the largest revenue is the VAT, as you said, Alberto, I mean, Walter. According to calculations, we will need some 1.2 trillion sucres. Because there are some more projects without funding, however, one wonders how this gap can be filled. We are expected to collect, on the president's instructions, some 200 billion sucres. The Finance Ministry, through the budget under secretariat, and Galo (?Arriquez), Conade [National Development Council] technical deputy director and general under secretary, has been holding meetings to find those areas of spending that are least important under the current circumstances.

Now, let us discuss revenue and expenditures. When I speak of the revenue included in the tax reform bill sent to Congress, I am not referring to rate increases only. I am also referring to the efforts of the tax administration in view of a number of legal provisions we suggested in the plan to increase the tax authority's ability to deal effectively with tax evasion.

According to some estimates we have made and handed in, people collect VAT, for instance, from their customers but withhold it from the government. This is fiscal fraud. To deal with this type of fraud, we have amended the criminal code whereby anyone committing such actions will be sentenced to six months to two years in prison. The VAT belongs to the treasury, and it is similar to the income tax reported by a corporation. The VAT is a special consumption tax charged the taxpayers when they buy goods. This money, which the citizen pays someone when buying goods, belongs to the government. Nevertheless, many people have not been handing it over to the government. This is why, on the president's instructions, I went out to personally check on all of this two months ago. We discovered a number of interesting things. Also, we closed down a number of shops.

In addition, we have a national program to shut down any establishment that does not abide by the law. To increase our revenues, however, we need a series of additional legal provisions that will allow us to wage a profound campaign against tax evasion wherever it exists in any form. All of those administrative measures, in addition to the sum of taxes and the cut in spending I mentioned, allow us to close the gap.

[Espurrier] The minute the oil price recovers, I honestly believe that the average price for next year will be too little. I hope it will not be too little, but at any rate if the oil price [words indistinct], the treasury will have more funds, and this will influence greater public spending.

[Robalino] I do not want to be a pessimist. I—the finance and public credit minister and head of the economic front—cannot be optimistic, rather, objective. Reality forces me to be cold and objective. We have made estimates and consultations abroad about this. There are certain experts—and I am not saying all of the experts in the world—who fear that the price may fall any time below the $9 mark. Based on the analysis we have been making on a series of information we have through the Energy and Mines Ministry, I mean that the government has received it, not the Finance Ministry; what have we done? We have reached a conclusion based on a series of internal information.

The conclusion we have reached is that, in objective terms, the average price will not go above $10. Ecuador will be happy if the price goes up to $40. The Oil Ministry used to sell one barrel of oil at $40 a few years ago; we are selling it at less than $10 today. That is the fact. I cannot be optimistic. I cannot trust—a responsible government cannot trust—that in four months the price will go up $20 a barrel. No!

We have to be objective. What is happening today? What do world specialist believe? All agree in this direction. Russia is pumping more oil. The North Sea is pumping

more petroleum. The climate, the winter in the northern hemisphere, has been milder than what some experts expected. The world's petroleum stocks [preceding word in English] are high. OPEC has not functioned as one supposed it should. There are factors of supply and demand that are in a state of flux, not considering what will happen with Iraq. I could be optimistic and say that oil will go up to $15 and we will not take steps, not do this; no, that would be a historic irresponsibility, in which neither the government nor I wish to incur.

We must learn from history. For what good is history if we do not learn from it and prevent repeating past mistakes? The government knows about past mistakes, and we do not want to repeat them, and that is why we must implement the measures we have announced.

[Estupinan] The government does not intend to trim public works, or if it does it will only trim what it must. With VAT, which, I understand, will be approximately 18 percent, the private sector will enter a total recession and the informal sector will be boosted, a reality. The government will function, but recession in the private sector will be more serious.

[Robalino] Two things: first, the informal economy. We are including in the draft bill we presented this afternoon to Congress provisions to demand that everyone pay taxes, not just what one calls the formal economic units but also the informal ones—Quito and Guayaquil vendors. Believe me, we will clamp down on them, because they do not pay taxes. We will incorporate the informal economy into the legal one. How? By forming a series of working groups once we have the legal means.

Second, the recession. Let me say something. From the overall economic point of view there are factors that serve to reactivate the economy, of which public investment and spending are factors. If public investment is stopped or drops in real terms, this would be an element of recession. Public investments, especially as planned, or the government's strategy of opting for a series of investments—such as irrigation channels, etc., which impact favorably on production—boost the economy. If it is a boosting element, private enterprise gains, because it creates the necessary base for greater purchase capacity in view that the government encourages public investments. This is a multiplying effect favorable for the private sector.

Naturally, the moment one establishes a tax it affects the private sector, something I do not deny. This money will go back into the private sector many times over, however, due to the multiplying and dynamic effect of public investment. From this point of view there cannot be a recession. During several meetings with Ecuadoran production sectors, the government projected 12 months ago that economic reactivation would take place in 1994 and that the country's GNP [gross national product] would grow by more than 3 percent. If the population grows by slightly more than 2 percent, we are going to have real economic growth and a positive increase in per capita income compared to 1993.

Concerning an Ecuadoran recession, if we do nothing and leave things just as they are, recession will win and we will have an economic depression. If we act as we are now and if the National Congress patriotically cooperates with us as we expect, we will not have a recession from the overall economic point of view.

We need to look at the net effect. At a given moment one sector feeds funds to another; that sector returns it many times over to the other, meaning, a dynamic effect.

[Estupinan] What makes you believe that the government will be frugal with something so new as tax collection when it has been so inefficient controlling contraband, something that is practically endemic among us?

[Robalino] Allow me to explain. The problem with customs is as old as the Republic itself. We cannot say that the problem of customs has existed only since President Sixto Duran-Ballen took office; this problem is as old as the Republic itself. What have we been doing and what will we do? First, one of the old tricks in customs has been to undervalue merchandise. Merchandise is invoiced very low to affect [words indistinct], VAT, and the import duty, three types of taxes that are affected by this old trick in customs. What have we been doing? We have been issuing, following certain studies, ministry agreements to set minimum duty appraisals. We have covered all textiles, an area in which we had under invoicing problems. A second signed agreement covers beer, and there was under invoicing for beer imports.

Third, we are preparing a new agreement for household appliances—refrigerators, freezers, audio equipment—for which we will set minimum prices. This is one action we will take and is not something the government has just decided due to the drop in oil prices. We have been doing this for about two months. This is to control this problem. In addition, the president has authorized—and we are making international connections—a contract with two companies to certify for us the import values in Ecuador.

You will recall that a few years ago, during the administration of President Leon Febres Cordero, the government had a contract with FGS [expansion unknown], which worked out very well. This is the second line that the president has approved and authorized. Third [as heard], the president sent many months ago—I believe eight months ago—a new customs law. We have insisted before Congress that we be given this modern instrument to reorganize all customs, something Congress still has not approved, and we have not received cooperation.

My assistant customs secretary—who is in charge of overseeing all that is related to revenue, customs, and income taxes—went to Congress with the Finance Ministry Advisory Commission and met with the appropriate committee and discussed the issue. Based on the

information I have received, I believe that following the meeting the committee agreed that the draft should be returned to the president. The president sent a letter to the Congress president requesting him to return the customs draft law. To this day we have received nothing from Congress. For one reason or another it has not happened. The president has decided to draft a new bill with a new name and several reforms and will then send this new bill for expeditious approval at the appropriate time. My commission is already working on it, and I have advised the Congress president. This is another way of doing this.

[Estupinan] I meant the mechanisms within the tax law that you believe will guarantee tax collection. We were unable to manage the customs issue, so how will we manage the other taxes?

[Robalino] There are two issues here. The tax reforms bill affects several areas related to income taxes, not import taxes. The customs office collects import taxes and VAT; it is a collection agent. We are going to handle the customs issue with these actions and the law I have just described. There have been two seminars, one in Quito, another in Guayaquil, to train young men and women who are about 25 years old. We are planning another seminar. Once we have the new law, the idea is to reorganize all of the customs offices and, of course, replace the unqualified personnel with well- trained personnel from these seminars we have been conducting.

This action, together with the ones I have mentioned to you, is what will allow us to control the difficulties you have cited. This process will not be accomplished in six months; it is a long process, but those are the actions ordered by the president and the course the finance minister will take.

[Izurieta] Summarizing what the president of the Republic has stated, we gather that the gasoline and cooking gas prices will not be increased; the dollar will not be allowed to increase; VAT will be substantially increased to 18 percent, which is 80 percent of current revenues; taxable items will be increased, and a 1-percent advance payment will be required on company assets.

Among the issues that must be confronted are tax evasion and the corrupt system that surrounds this activity. According to the Internal Revenues director general [director general de rentas], 50 percent of Ecuadoreans who are potentially obligated to pay tax do not do so, and 38 percent evade or keep the value-added taxes they collect. Those are very significant amounts if we consider that VAT will now represent 18 percent of the government's revenues.

The proposed government program leads us to believe that tax evasion will be partially eliminated, because it even proposes prison terms for those who evade taxes or do not surrender the taxes they have collected from third parties. What are you going to do with corruption inside the government? We know that corruption occurs with our account overseers. They go to companies and extort them. They tell the businessmen that they have to pay such an amount. Frequently, they fabricate taxes that do not exist. Later, the negotiation process begins, and, at the end, one part of what they collect is for the government and most of it is for their pockets.

What are you doing—the risk of jail is present now—or what will you do to resolve in those problems, not only in the [word indistinct], as Patricia has stated, but in collecting the sizable taxes that the government has proposed?

[Robalino] Regarding this issue, the reforms sent to Congress include several rulings that will allow the General Internal Revenue Directorate to use independent audit services to verify and compare tax payment information against a number of [words indistinct]. This does not imply [words indistinct] tax revenues office. What it will do is get help from highly able, independent professionals—whom the Treasury will hire—to check and audit the private sector accounts. This is one action that will allow us to correct the problem you have mentioned.

Second, there is a universe of professionals who have gotten used to not paying income taxes. We are now going to stop them. How? We will do so in the following manner: First, the bill sent to Congress authorizes the finance minister to create a Fiscal Commissioner's Office [notario fiscal] or an equivalent mechanism, which is aimed at having the Ecuadoran taxpayer or any person ask for an invoice when he goes to a medical doctor or dentist and when he buys any item. This will allow the person to enter the fiscal lottery or an equivalent mechanism. The invoices will allow tax authorities to stop tax dodgers. The accounts overseer does not intervene in such actions. The contributor himself will help us stop tax evaders when he demands an invoice from professionals who are not accustomed to paying taxes. Thus, this is another measure included in the bill, one that will allow us to start diminishing tax evasion infractions.

A third point is that drastic penalties will be imposed against those who do not declare their taxes or do not present their income tax statements in a timely manner. This will be applicable to everybody, including people in the informal sector.

Those actions and the rulings included in the bill will allow us to strengthen our position. Furthermore, the General Internal Revenue Directorate has several programs to upgrade its accounts overseer personnel and do away with the problem you mentioned in this respect. I tell you frankly, however—I am not trying to justify myself with this—that I have been asked [words indistinct] my predecessor and with all due respect for them, because they are my personal friends. Do you think [words indistinct] by what finance minister and in what government?

The president has given me an order, and I will keep it; that is what we are doing. Believe me, I have a firm hand. It is armed with the law and will fall on the tax dodgers. My hand does not tremble. I do not have friends of commitments with anybody. The president has ordered this task and the finance minister refuses to close [words indistinct) taxes. It will take time. I do not think and do not want to deceive anybody by stating that in six months or a year I will do away with the existent problems. No. It will be a very fierce struggle. After we have the law, the Finance Ministry will have to work to establish a number of operational and institutional mechanisms, which will allow us to strengthen our position with the law and the mechanisms to start closing the doors to tax evaders in this country.

[Izurieta] Mr. Minister, you have stated your decision to fight taxpayers. My question is...

[Robalino, interrupting] Not the taxpayer, but tax evaders.

[Izurieta] Tax evaders. My question is, Mr. Minister: What can be done with the inspectors who allow and contribute to tax evasion by making agreements behind the ministry's back. Can you guarantee, or include in the process, some way for taxpayers to gain access to a higher official or some other authority who is not affected by this widespread and well-known cycle of corruption, when they feel victimized by one of these inspectors?

[Robalino] Mr. Izurieta, allow me to say that if any Ecuadoran or businessman reports or tells me about an official making an illegal business proposal, be it an inspector or anyone else, I will fire the official and prosecute him or her on every count permitted by law. You can be sure of this. I hereby state before the people that the finance minister is accessible and open to all reports of tax evasion and misconduct by corrupt tax inspectors. You can tell me about them, and I will put these people on trial.

[Espurrier] The president has repeatedly discussed—this is not the first time he has done so—a reduction in government employees, the closure of inefficient government agencies, and so on. The figures, however, seem to indicate a growth in public spending—a growth in real terms. The figures released by the press—I say the press, because I have not seen the original reports—regarding the overall budget for nonfinancial government sectors for 1994 show a total of 12.8 trillion sucres. That is about 36 percent of the GNP, based on the government's 1994 GNP estimate. There is a study the World Bank carried out at the end of eighties and the beginning of the nineties that says overall public spending should be about 27 percent of the GNP. The figures, then, seem to indicate we are headed toward increased government spending, despite the reports of so many employees being fired at this and that agency. The fact is that there has been an increase in real terms, and this is why the government has taken these steps to increase its income.

[Robalino] Walter, the government's objective, which is on the president's agenda, is to reduce the size of the government. There are several ways to go about this. One of these methods, as you mentioned, is reducing the size of bureaucracy and the number of public employees. Why must we do this? We must do it because there is an excessive number of government employees in general. It is well known—this is not something new—that the Ecuadoran state—not the government, but the state—believed its responsibility was to provide jobs. Why? To alleviate the country's unemployment. Bureaucratic employment expanded, and there are several reasons for this. As I said before, the state cannot handle this anymore. This can no longer be the state's job. This could be done in the past, but now there is no money for such an endeavor. The government can no longer offer jobs to ease the unemployment rate.

One of the government's goals, then, is to reduce the number of government employees to have the smallest, the most highly efficient, and best paid bureaucratic apparatus possible. That, in a nutshell, is the government's philosophy.

When the president mentioned the amount, it was in fact because 20,000 government employees had been dismissed by the end of the year. Today, the news reported that 800 Petroecuador employees have gone into retirement. Well, this may happen, and perhaps we will exceed 20,000 by a small amount. Each dismissed employee has received an average of 11 million sucres, according to the latest information provided by Senta [expansion unknown]. The government's goal for next year—if our resources permit, because it is not just a matter of saying [words indistinct] to repeat this amount. Why? Because the government has a surplus of personnel. We have too many employees in government.

Ecuador used to have a controlled economy. There were controls everywhere, and the government required employees to be able to exert this control. Why? It served several purposes. To begin with, we had a paternalistic, protectionist state. Second, sometimes bureaucrats required more personnel to implement more control. For example, they would deter imports to save foreign exchange. All kinds of controls were imposed during past governments. The current government does not maintain this policy. This government's philosophy and priorities are quite different. We are, therefore, reducing the number of public employees because we have too many.

What will this policy mean to the country in the long run? It will reduce our expenses and the impact of wages on our GNP. This will occur gradually, and, if we continue this policy, we will free up resources that can be assigned to the exact thing that interests the country most—namely, investment. This is the government's policy. This is president's policy, and this is the direction in which we are moving.

[Espurrier] In any case, are we to expect that government expenses in terms of GNP will increase this year and

next for these reasons and that there will be an expansion, although a provisional one, in this sector?

[Robalino] This year—we are giving you specific information—we estimate that our total revenues in relation to GNP will be about 25.8 percent. This is an approximate figure. We still do not have an exact amount, but we can give you this estimate.

Before the drop in oil prices, we had estimated total revenues for 1994 at about 25.6 or 25.8 percent. This was an approximate amount based on experience. This percentage will not increase, and we did not plan, neither yesterday nor today, for it to reach 30 percent of GNP. Therefore, it cannot be said that we are presenting a proposal that will give us more income and enable us to spend more. This is not the case.

Our proposal's objective is to cover the deficit that will develop with the decline in international oil prices. Our income, in terms of GNP, will be more or less the same as the one we had this year. Of course, this is assuming that the proposal is approved. If at any time Congress believes it has to make small changes in the government's economic package in order to approve it, we will have to study the effects of the congressional changes. We have to determine whether such changes leave a gap, and we need to resolve any differences that may crop us if Congress decides to reform the bill forwarded by the president this afternoon. It is not our plan or our intention, Walter, to propose increasing the government's revenues to 30 or 35 percent, or 40 or 50 percent of GNP. This is not the case. I believe someone commented that the proposal is government oriented. It is nonsense to say that our proposal is government oriented, alright?

[Estupinan] Considering that 1994 is expected to be a belt-tightening year for all of us, what is the outlook for the country's foreign debt payment? I am asking you this because, according to statements made today by a vice president from Citibank's board of director, Ecuador is about to conclude an agreement with the private banks.

[Robalino] Look, Miss, when I took charge of the Finance Ministry I analyzed the commercial debt situation. We must be very specific here. When we talk about foreign debt, we are not only referring to debts held by commercial banks, but also debts with the Inter-American Development Bank, World Bank, Paris Club members, and so on. At any rate, I believe your question is geared toward debts held by commercial banks.

When I took office, I evaluated the situation at the time. I spoke with the president and the vice president. We held a meeting and decided it would be convenient to establish a commission, a negotiating group, that would go to New York. This has been done. I am satisfied that my decision, which was authorized by the president, was the most appropriate. Why? Because, a finance minister cannot be travelling to New York every week. It is impossible. The head of government economic policy's place is here in Quito, supervising the government's economic program, not travelling to New York every other day. Therefore, it was and still is an appropriate decision to have this negotiating group working as it is. The negotiating group is frequently in New York, or travelling to New York to meet with the bankers.

[Estupinan] How close are we to an agreement?

[Robalino] It is impossible to say, Miss. Why? Whenever there are negotiations between a debtor and a creditor, difficult issues are discussed. It is a process that one cannot predict whether it will last a month, two months, or a year. It is impossible to say because there are two positions: the position of the debtor, who wants adequate treatment according to certain variables, such as Ecuador's payment capacity, and the position of the creditor, who wants to be paid. Every creditor always wants his money back. In Ecuador, bankers who are creditors to private corporations also want to get their money back. This is only logical. At the international level, the same thing holds true. In this situation, there are two positions, and these positions must reconcile.

This is a complex process. I cannot tell you how near or how far we may be to an agreement. It is not because I do not want to tell you but, rather, because negotiations are still under way. We are not yet even close to reaching an agreement. There are still differences between the two sides.

[Estupinan] Yet, we must be close if such a high-ranking bank like Citibank...

[Robalino, interrupting] Miss, the information I have so far indicates that we are not even close an agreement. Now, the other matter that the president announced and that we must be very clear about is the fact that we have not paid the commercial debt. We simply have not paid it. Nevertheless, negotiations are continuing.

[Estupinan] Have Ecuador's foreign debt documents increased in value?

[Robalino] The market value of Ecuador's foreign debt documents—as is the case with Cuba's debt documents, as well as Peru's foreign debt documents—has increased for several reasons. Ladies and gentlemen, you may already have information on what I am about to say.

You may have noticed that in the United States, if an American investor has sufficient funds and decides to invest in 30-year U.S. Treasury bonds, how much profit will this investor receive? He or she receives 6 percent. If someone in the United States wants to invests in CD's—that is, certificates of deposits—how much will he earn if he chooses 90- or 180-day term CD's? He receives 3 percent. If the person invests in a savings account, his earnings will be a mere 2 percent or less. Earnings from investment vehicles such as those are quite low.

In the U.S. business community, there are also investments funds known as mutual funds, which have enormous liquidity and are constantly looking for places to invest their excess capital. They invest in Cuban debt,

Peruvian debt, and of course Ecuadoran debt. They also invest in European debt papers. This vast liquidity in the U.S. market is what causes the value of debt papers to rise without necessarily being influenced by the economy's performance.

The increase in the value of Peruvian debt is not 5 percent, Miss. It is substantially greater than the increase in the New York secondary market. That is the reason why the value of the debt papers of Ecuador and of other debtor nations has increased. Imagine Peru's case.

[Estupinan] We better not talk about Peru.

[Robelino] Peru—I would rather not use Peru's case. Peru is a brother nation, which we all love. Its situation is well known throughout the world, yet the value of its debt papers is quite high, very high. Look at Cuba's case, Miss. Cuba's debt papers, despite the fact that Mr. Fidel Castro is this country's president, its debt value has increased substantially in the secondary market.

[Izurieta] Mr. Minister, the government's 1994 budget shows a 56 percent increase in comparison to the 1993 budget. If we add everything, the average citizen must pay state and municipal taxes, or the numerous taxes we must pay. Also, we will be transferring some 13 trillion sucres [figure as heard] to state institutions. During the election campaign, the government said it was going to privatize and modernize the state. Obviously, we have not seen this happen. The state budget is increasing. Moreover, it would seem that we are governing from one crisis to another.

Ever since we began a constitutional government approximately 13 or 14 years ago, we have seen a crisis caused by the effects of the El Nino current, and we took measures to confront it. Measures also were taken during the crude oil price swings of 1986. Later, there was an earthquake, and measures had to be taken. We had the Josefina problem, and measures had to be taken again. Today, crude oil prices have again plunged, we have another crisis, and more measures are taken.

When one government takes over, it immediately says the prior administration was inefficient and therefore the budget must be adjusted. Measures are again being taken against the taxpayer. In conclusion, we are governing or taking measures solely to confront one crisis after another, despite the fact that the people voted for changes. When, Mr. Minister, and in what manner, will this government, which proposed changes, start making these changes in such a way that the average citizen will not have to fear that fat man known as the state?

[Robalino] The answer can be divided into several parts. Why have we had these problems? It is merely because the shocks the economy has been going through are external, or exogenous as the president of the Republic described them. They are out of the government's control. This is the case now. Why has this been taking place? Why is the shock so drastic? Simply because approximately 50 percent of government revenues come from crude oil.

One of the most significant benefits of the tax reform proposal is that it demands radical changes in the states' current revenue structure. This is going to make history in this country. In approving this proposal—I am now referring to the plan sent to Congress—what is going to take place is that we are going to rely more on internal management and not on crude oil revenues. If we seriously think about it, how many more years will crude oil last? If we make some solid assessment of the future, the question is this: If crude oil disappears, how will the state finance itself? We would face a complete and utter crisis because we have become accustomed to depending on crude oil to finance 50 percent of the state's business.

Again, I reiterate, the benefit of the tax reform bill proposal sent by the president is intended to transform the revenue structure. In this manner, as a state we will be able to depend less on crude oil and more on domestic sources of revenue. I am not referring to this administration, but to future administrations. This is one of the proposal's most significant merits. I will repeat this over and over, not because I am the finance minister, but because these reforms are going to make tax history, and not just for this administration, but for Ecuador's tax history. It is going to be something beneficial for future administrations. This is the first reason.

Second, the moment we start depending less on crude oil and more on internal revenue, we will be better prepared to absorb those exogenous shocks or international shocks that originate from crude oil. That is something extremely positive, Mr. Izurieta. I must say that historically Ecuador has gone through certain events precisely because of these shocks. Nevertheless, it is precisely because of the reason I mentioned. If we did not depend so much on crude oil, we would not be facing the severe effects we are having.

Second, [as heard] the 12 trillion sucres figure you mentioned Mr. Izurieta, cannot be compared. This is a figure for a larger universe than that of the general budget. The proposal we presented for 1994 totals 6.2 [figure as heard] between regular revenue and revenue from loans. That cannot be compared to this year's budget for a very simple reason: the Budget Law forces the government to incorporate several institutions and allotments which were previously not included in the general budget. Therefore, this year's budget and the proposal sent to Congress two months ago cannot be compared.

It is impossible to say that in one case we are talking about trillions and in the other 4 trillions and then to say that it has increased by 50 percent. We first have to eliminate some institutions' allotments—allotments that at one time were not included in the general budget. That is were the difference lies. I have taken the liberty to explain this to the country to avoid confusion and in

order that the people do not compare the budgets, because they cannot be compared. We must first tailor one or the other before we proceed with any analytical comparisons.

[Izurieta] Will there be a tax amnesty, Mr. Minister?

[Robalino] Thanks for the question. I will give you a categorical answer. As finance minister, I believe... [pauses] Some people have suggested this to me: that granting tax amnesty is a way of collecting more taxes. I will tell you this, and I ask you and the public to excuse me for calling it this way: Tax amnesty is a way to condone tax evasion, and, as long as I am the finance minister, I will not grant tax amnesty. I want to make it entirely clear to the taxpayers—many of whom have spread the rumor that the reform bill contains an article on tax amnesty—that the bill does not have any article on tax amnesty, and we will not include any such article.

[Estupinan] To sum it all up: The drop in oil prices has forced the government to seek mechanisms to compensate for the subsequent deficit. This opportunity has been used to restructure how state revenues are financed, which will be done through a tax reform. This tax reform seeks an increase in taxes and a substantial increase in the number of taxpayers to prevent external events that may occur in the future—the fall in the price of an export, for example—from leading to a government crisis. This tax reform also seeks to help the government rely more on resources generated by Ecuadorans.

Paraguay

Wasmosy Interviewed on Petit Promotion, Governability Pact

PY1812185693 Asuncion ABC COLOR in Spanish 14 Dec 93 p 10

["Part one" of an "exclusive" interview with President Juan Carlos Wasmosy by Alcibiades Gonzalez Delvalle—place and date not given]

[Text] [Gonzalez] Mr. President, why did you withdraw from Congress the request for approval of Rear Admiral Gonzalez Petit's promotion?

[Wasmosy] On 10 December, the Senate's Constitutional Committee and the National Defense Committee sent me a note, the contents of which I carefully analyzed with my advisers. We realized that the rank equivalent to Army general, which is discussed in the Armed Forces Organizational Law, is not as clearly contemplated in our laws as it is in other countries. Law No. 847, which was immediately modified, and Law No. 216, which in Article 14 outlines the possibility of promoting Rear Adm. Gonzalez Petit, have regrettably failed to clearly establish whether the Navy rank equivalent to an Army general would be an admiral and in the Air Force an air general. According to the laws in force when I made the decision, I had the authority to ask for approval of the promotion. Congressmen then pointed out that the legislative language must be explicit. If one talks about "equivalence," one must state what equivalence it is. I believe this is questionable. But, undoubtedly, Congress ought to rise to the occasion and pass a law—like the one in force in other countries—that would enable the three branches to have four-star generals.

[Gonzalez] Aren't you afraid that Paraguayans may think you are an insecure person or that you are rash in your decisions?

[Wasmosy] To the contrary. I believe it is proof that I acted in good faith. One has to have the courage to acknowledge that one does not know everything.

[Gonzalez] Do you expect that the withdrawal of your request for the approval of Rear Adm. Gonzalez Petit's promotion will be instrumental in improving your relations with Congress, which at present are strained?

[Wasmosy] I believe ... well, we have different opinions. This does not mean that our relations are poor.

[Gonzalez] The senior officials that were summoned by the Senate will not go to Congress because you oppose it.

[Wasmosy] Yes. The senators want to re-examine the generals who already went through the Promotion Board, of which I, a civilian, am the president. I thought the senators' request was a gesture of little support for a civilian president who is the Armed Forces commander in chief.

[Gonzalez] Is this prohibition a personal decision or is it affected by external influences?

[Wasmosy] I swear on the soul of my deceased son that I have not asked the generals whether or not they want to attend the meeting. I have extended to them the decision I adopted, the decision that safeguards the civilian image of the Armed Forces' commander in chief, whose constitutional task is to submit the service records of officers who are candidates for promotion. The senators can ask me for further information. But I do not see what can be added to the submitted documents. Or do they, perhaps, want to verify whether a general is five foot two or six feet tall to agree with his promotion? I have the impression that what some congressmen want is to say: "Gentlemen, we are the ones who have power here, and we are going to see that everyone kneels before us." This is not the path that leads to the consolidation of our democracy.

[Gonzalez] Do you feel that the generals would be sort of interrogated by the senators?

[Wasmosy] Of course. If they already have the service records of each officer, what else can they be asked? Whether they want to be promoted?

[Gonzalez] The senators deem it necessary, within the legal framework, to meet the military officers.

[Wasmosy] They have other intentions.

[Gonzalez] Like what?

[Wasmosy] I already said it. They want to subordinate everything to them. With that idea, they intend to prosecute and send people to jail, as being above the judicial branch. I have respect, but I also want the executive branch to be respected. When the legislative branch was attacked, I personally went to visit the congressmen, and I publiciy expressed my opinion on the matter. I made it very clear that the executive branch is to support the other government branches.

[Gonzalez] Mr. President, the other issue pending with the legislative branch is that referring to the law on magistrates.

[Wasmosy] Here I see the famous governability pact playing an essential role. If this matter is not resolved, for me the pact is absolutely useless. And I will be very clear on this. The Council of Magistrates created by the Constitution selects, qualifies, and presents to Congress its candidates, who will number 27. I hope the legislative and executive branches will hold talks to choose the best nine from among them, without discrediting anyone, to be Supreme Court justices. I do not want them to send me anything that I will be forced to veto. What arguments will I use to veto them? I would be forced to decree the professional civilian death of an expert in law. There are no rules to judge. It is even worse in the case of those congressmen trying to reduce my right to veto, referring to my consent, now that I am submitting myself to the Constitution requesting the Senate's agreement for the promotion of military officers. I am fulfilling my role; why can't they do it? We cannot enforce a one-sided law and then be disguised as democrats: The largest part is for me and the smaller part is for the rest.

[Gonzalez] Has this idea of dialogue concerning consensus to designate court justices been explained to congressional leaders?

[Wasmosy] I have talked to them within the framework of the governability pact. If they are in fact the political leaders of the congressional majorities, I think they already must have extended my idea to the congressmen of their respective parties.

[Gonzalez] What answer have you received from the pact leaders?

[Wasmosy] Nothing. Total silence.

[Gonzalez] Does that mean they are not in agreement?

[Wasmosy] I do not know. I am going to wait. I never lose hope. Dialogue is the easiest and more civilized way of reaching an agreement and to put the most competent men of whatever political party in the administration of justice. Let us suppose that they want to eliminate my constitutional responsibility to express my consent. In that case, I am going to the Supreme Court and if necessary, also to the The Hague. And meanwhile? Where are those who say that today we do not have the best judges? I do not want to judge morale. But a professional man can be more competent than others. And are we going to continue with those judges whom the congressmen themselves consider incompetent for two or three years more? To create sustainable development we must have clear economic rules, a climate of tranquillity, peace, coordination, and transparent justice exercised by upright men. Are we once again going to postpone all this? I do not see the patriotism or the democratic spirit of those people who keep postponing things. Why? Just to say once again: "We are the ones who rule here." And only because they accidentally have a congressional majority.

[Gonzalez] Those congressmen also express their desire for a country with honest and capable judges.

[Wasmosy] And if we agree, why then not sit down to talk?

[Gonzalez] Are you willing to listen to them?

[Wasmosy] But I have offered myself to dialogue. Above anything else, we must establish the mechanism to choose the Council of Magistrates officials. It is here where people begin to be manipulated.

[Gonzalez] According to you, the governability pact will have its trial by fire in the Council of Magistrates.

[Wasmosy] Not only that. There are also the issues of privatizations and the electoral code, which must be clean, of course, so that if someone wins the elections—well, he wins, and no one will say then that the electoral list was this or that. We are playing with time in these things that are essential for a democratic state.

[Gonzalez] Do you believe in the governability pact?

[Wasmosy] They have to give me "a test of good will."

[Gonzalez] Until now...?

[Wasmosy] Until now I do not believe because I do not see concrete things. I am very pragmatic. When they were in my office at Government Palace, I told them: "Gentlemen, I have a program for national unity. I am going to call the union leaders, the businessmen, the church, the politicians..."

[Gonzalez] And how did they respond?

[Wasmosy] That it would reduce their authority or the work they already have done. But I want concrete things. It is already December.... In a word... I always have good thinking... but I think a governability pact must gather all forces in the country, all sectors, and decide what kind of a country we want, what objectives we seek, so the executive branch can carry them out, within the program of the government elected by the majority. Then we will discuss the strategies that might experience some other

variations by strange agents. But let us do it by common agreement. I do not see any productivity yet from the governability pact.

[Gonzalez] In that meeting you held with the "leaders of the pact," did you perceive some indication that it could be useful for the government and the country?

[Wasmosy] I always look at things from the positive side. I sincerely liked it and I thanked them for what they said at that time. They admitted that they made a mistake in their attempt to make the officers parade before the senators. "We did not realize that we were reducing the civilian power of the commander in chief."

[Gonzalez] Did the opposition senators tell you that?

[Wasmosy] Yes, sure. Well, that is what can be deduced from the other matters, and these are the subjects that need to be discussed. And not to say, for instance, "we want a governability pact," but when they have to vote for something in Congress, everyone must first vote together for an agreement behind the scenes. One has to gain confidence on a daily basis. I told them: "Gentlemen, I do not believe in you." We must have mutual confidence, but let us give proof of it. I already have.

Peru

Fujimori Discusses La Cantuta Case, State Budget

PA1912014193 Lima Panamericana Television Network in Spanish 0300 GMT 16 Dec 93

[From the "24 Hours" newscast]

[Text] President Alberto Fujimori has said he agrees with the Catholic Church on the need to clarify the La Cantuta case.

[Begin recording] [Fujimori] We all agree that this must be clarified. I believe it must be done in accordance with current laws. Obviously, this case affects our country's international image.

I would like to stress, however, that what is really important is that the peace process is producing results. We agree that this process must be accompanied by specific measures, but we must recognize that the security forces have accomplished a lot in a very short period, which is unprecedented in the world's contemporary history. Therefore, I can only say that we must wait and let justice work.

[Reporter] Would you agree that the prosecutor is taking too long to file charges?

[Fujimori] Well, fortunately, time has passed, and we now have more evidence to work with when passing judgment. I am sure charges will be filed in due time. [end recording]

President Fujimori hinted that Peru's participation in the Andean Pact could possibly be extended. He also ruled out the possible liquidation of the National Bank. The government has assumed a firm position against the elimination of this institution, which is the only bank with branches throughout the country, even in places where there are no private banks. Concerning Christmas pardons, he said the matter is under study. In a sweeping dialogue with the press, he said he is optimistic because the budget closed out the year without a deficit and was well balanced.

[Begin recording] [Fujimori] The budget has been presented by the executive branch after careful study. It is a well-balanced budget, which shows no deficit and does not require additional funding [emision organica]. It totals 16 billion soles, which will enable us to pay the service on our foreign debt, which is still high; to make investments; to cover current expenses, including salaries, bonuses, and so on; and above all else, to cover social expenses. We will give special importance to social expenses in 1994.

[Reporter] Will the government also promote new jobs?

[Fujimori] I would like to mention that the budget includes bonuses, which unfortunately cannot be very high. We have established Christmas bonuses of 120 and 150 soles this year. Although the amount is small per employee, it represents 130 million soles in the budget. We have made great efforts. I can also inform you that we are closing the year without a deficit, with a balanced budget, which is extraordinary for a period of so many difficulties, during which revenues were very low sometimes while expenses increased. All in all, we closed the year with a balanced budget. [end recording]

Lima Temporarily Excludes Self From Cartagena Accord

PA1912044093 Lima Radio Programas del Peru Network in Spanish 1800 GMT 17 Dec 93

[From the "Newspaper of the Airwaves" newscast]

[Text] Peru has excluded itself voluntarily and temporarily from the Cartagena Accord of August 1992. In commenting on this, Prime Minister Alfonso Bustamante said Peru's situation cannot be decided today in view that two members were absent from the commission meeting—Colombian Juan Manuel Santos and Venezuelan Miguel Rodriguez.

Because of this, he added, the commission opted to extend the term of Decision 391, and, therefore, Peru's arguments—the details of which are not known—were left pending. The prime minister, however, stressed that Peru is maintaining a firm integrationist line.

I repeat, the Cartagena Accord Commission extended until 30 April 1994 Decision 391, which refers to Peru's suspension from the Andean Group's trade and tariff agreements. The commission will again meet on 17 January in Caracas, when representatives from Ecuador,

Colombia, Venezuela, and Bolivia—the member countries—will examine Peru's situation.

Guzman Letters Seen as 'Traumatic' Divider of Sendero Luminoso

94SM0139C Lima QUEHACER in Spanish Sep-Oct 93 pp 9-14

[Article by Carlos Reyna]

[Text] Pacts with the enemy and concessions to established ideas are not rare in the biographies of rebel commanders or revolutionary leaders. Nor are they in those of writers and scientists.

As Isaac Deutscher says, many had to pay a "moral mortgage to survive and continue their work.... Supreme heroism is rare, and its absence is not necessarily a vice in itself." In the end, history judged them favorably.

All indications are that this will not be true in the case of the surprising turnabout that Abimael Guzman has made. His letters to President Fujimori involve such a strange contortion that there has already been a preliminary judgment against him. The fundamental hero of the Senderists [SL-Shining Path] has jumped from the threshold of legend to the realm of political satire.

But there are other protagonists and plans involved in the story of these letters. And although we appear to be in the initial chapters, it is possible to attempt an interpretation and advance some hypotheses regarding the upcoming episodes.

Speaking of Business

The capture of Abimael Guzman was like winning the lottery for President Fujimori and his followers. Putting him in prison has been like opening an account on which the chief of state can draw funds periodically and improve his political position. The ineffable "emissary" is acting like a stockbroker who suggests when, how, and why he should move his capital.

One principle of finance is that investments should be diversified. From the government's point of view, the business of Guzman's letters can be conducted on a variety of markets: external image, internal politics, and of course, the antisubversion war.

Someone Wins....

Thus, when he releases the letters, President Fujimori thinks simultaneously about the stubborn resistance of the SL, the torturous international loans, the mistrust of foreign investors, and the best way to advance his chess game against the opposition parties.

That is why the first episode of the letters took place in the United States, using the UN as a backdrop, in the middle of a campaign to attract foreign investment, just a few weeks before the referendum.

As far as the SL are concerned, Fujimori does not see these letters as an initial step toward ultimate peace negotiations. He does not even speculate about it. The president has referred to them merely as a great conquest in the framework of the "psychological war" against the subversives. If the talks with Abimael continue, the purpose will be to obtain from him new subliminal weapons against the SL organization. That is as far as the deal goes, no further.

...If Someone Loses

Unlike his adversaries, Guzman has lost all tangible capital. Absolutely isolated from any imaginable audience, his political role was already over for good. In total seclusion, "President Gonzalo" was practically dead, as far as politics and the war were concerned.

But as we know, he has—or had—one intangible asset left: the fact that he was the central symbol of the SL insurrection, the mythical captured chief to whom SL's continued to swear allegiance. But an intangible asset can become a material one only if it is placed on the market. That must have been the insistent message from the "emissary" to Guzman.

In signing the letters, "President Gonzalo" was looking for an offer. What he has done is begin to negotiate the price he will get for putting an end to the war. It is impossible to know all the expectations he has, but it is certain that there are two that can explain the transaction from his point of view.

First, the recovery of part of the political territory that was abruptly seized from him last year. If amnesty and pardon are ruled out, Guzman must at least be savoring the idea of regaining contact with the world outside his cell.

He must be imagining himself pontificating before his visitors, especially the press, to turn posterity's judgment in his favor so that he will not be regarded as the deluded leader of a terrorist movement that gradually ran out of steam. On the contrary, he would pose as the captured prophet of a defeated but righteous insurrection that laid down its arms at the opportune moment.

Secondly, the rescue of the SL organization from annihilation, or at least oblivion, which will certainly be its fate in the medium term if it persists in its war. Any well-informed person will realize that this is one of the most visible tendencies of recent times. The only thing the "emissary" had to do was give him all the details of the successive captures of his lieutenants in the past year.

So much for Guzman's bets. But a first indication that he has lost all sense of proportion in his dealings with the state, and has therefore lost on the deal, is that by writing these letters he has already mortgaged his morality to the enemy, and in exchange he has gotten nothing more than good manners.

On the contrary, his attitude may have laid the groundwork for the first rift in SL since it agreed to begin the armed struggle. Even so, it is possible that with his recent capitulation, Abimael Guzman was merely being true to certain more or less hidden aspects of himself and of Shining Path.

Continuity in Rupture

Even in the most dramatic about-face, it is always possible to find some points of continuity, which are precisely what makes possible the contortion.

The first element of continuity is Guzman's tendency to pass off his own political needs as universal needs. Both in preparing his movement for war and in asking it to get ready to accept peace, he has invoked the interests of the nation, the people, and the masses.

In the wake of his decision 13 years ago, the lives of thousands of Peruvians were sacrificed. In the wake of his letters, it is almost certain that his own party will sacrifice its life. After the armed struggle began, Abimael became a leading actor. After his letters, at least he has taken the stage again, but this time he has a bit part. In each case, there are prices to be paid...but it is others who pay them.

The second element of continuity is the fact that in the SL mentality, the fate of the program depended on the fate of the leader. "Gonzalo" personally was—or is—the guarantor of victory in the people's war. In their incredible letters of submission, all of the SL's turned themselves over, body and soul, to the will of the leadership in its capacity as guarantor.

In prison, what Guzman is doing now is cashing the same blank check that each SL gave him, but in a different way. It is the very revolution that has been captured, you might say. Therefore, there is no alternative but to form a new alliance, but this time to capitulate.

Rupture in Continuity

At any rate, the most significant impact of Abimael's letters is that they represent a total break with the most important traditions and identity of the Shining Path. His call for talks leading to a peace accord, unless seen as a plea to negotiate a surrender, is alien and contrary to that identity and those traditions.

The SL program was molded according to the canons of the so-called "Gonzalo Thought." This is none other than an extravagant cult of war, a mystification of arms.

There are two key concepts in it: the "militarization of the party" and the idea of a future society defined as an "armed sea of masses."

The first phrase alludes to a political organization that has to be a war machine. The second refers to a society completely dominated by this party: Everyone becomes a soldier of the party in power.

Both concepts presume a validity that goes beyond the short term, beyond the country's borders. They are formulated as universal needs: for the epoch and for the entire world.

Thus, in the ideology that shapes every SL's military actions, these concepts are regarded as the master keys that will solve all problems in the march toward power. If Georges Sorel, the French trade unionist, venerated the general strike as a myth that would mobilize the proletariat, Guzman educated and rallied his followers around the myth of war.

In this way, Guzman built Senderism with his own hands as a structure that would be absolutely resistant to any possibility of peace with the adversary, unless it involved the surrender of the latter (quote from Olaechea in the magazine SI).

Master as Heretic

In a phrase applicable to Senderism, Thomas Carlyle said that "Society is founded on a cult of heroes." Now, as he sues for peace while making great concessions to the enemy, the image that emerges is that the fundamental hero himself has broken the sacred commandments of the cult. The founding master is at the same time the great heretic. The rebellion against the father led by the father himself. This is surely too severe a test for the SL.

It would be very difficult for this attack of schizophrenia not to produce a rift in the movement. Some will choose orthodoxy, while others will opt for the authority of the leader. As in any schism, many will remain in limbo and abandon both sides for good.

The authority of the so-called leadership—or what is left of it after these letters—cannot prevent any of this. What these messages have done is make it possible for SL's, for the first time, to separate the ideas of "Gonzalo" from the person of Abimael Guzman. Some will stay with the former, others the latter.

But in either case, cohesiveness will be conspicuously absent. SL's have been imbued with a traumatic confusion that will stay with them forever. It is a cruel irony that this has been brought about by the same Andean Prometheus who, they thought, gave them light.

Reflections of Another

If you look into an abyss for a long time, it begins to look into you as well, warned Nietzsche. The brief history of the letters has had a facet of ominous coincidences between President Fujimori and Abimael Guzman. It is as if, after more than three years of thinking about each other, each began to take on some features of the other.

Certainly they have been very different until now. But the president himself remarked on how much similarity there was between his analyses and those of the SL leader.

Moreover, in Guzman's allusion to the specific situation in his second letter, there is a certain reverberation of the pragmatism that Fujimori epitomizes so forcefully.

But the similarity that is the most onerous for the country is the fact that neither seems very convinced of the need for a genuine proposal to bring armed actions to a halt and begin building peace.

Peace Now

It is possible that a "peace accord" is a virtual anachronism and utopia for President Fujimori and the Armed Forces, for they believe that SL has already been defeated and is being dismantled. In turn, they must believe that coexistence or mere political dialogue with a group like SL is unfeasible.

On the other hand, Guzman's capitulatory letters have an undertone of justification for the war. In his proposal, the word "peace" sounds like a forced concession to the circumstances.

It is true, however, that the immediate end of the internal war and the construction of peace are a necessity for the Peruvian people. Every month, on the average, more than 100 people die as a result of political violence, nearly all of them in the poorest classes or communities. Society and civil institutions should regain the conviction, determination, and capacity to formulate proposals in response to that need.

Whether the peace we attain will be democratic and stable depends on that. If it is not, more than one abyss will open up, incubating the replacements for the reverse hero who has begun to be eclipsed for good, even as a legend.

SL Experts Discuss 'Post-Sendero' Government Agenda

94SM0139B Lima QUEHACER in Spanish Sep-Oct 93 pp 20-23

[Commentaries by Enrique Obando and Carlos Tapia]

[Text] 1. Were critics and Senderologists wrong when they predicted the failure of the government's antisubversion strategy, contending that it considered only the military aspects of the conflict and ignored the political and social dimensions? 2. What might be the agenda of a new "post-Sendero" era, which appears to be close at hand in Peru, and what new roles would the Armed Forces and the peasant self-defense committees play? We have asked Enrique Obando and Carlos Tapia, experts on the subversion problem, to express their opinions on these matters.

Enrique Obando: Pacification Does Not End With Sendero's Defeat

1. No, they were not wrong, because that was not even what the Senderologists said. That was the assessment of the British counterinsurgency experts (Thompson, Hilton, Clutterbuck, and others). What happened was that Sendero [Shining Path-SL] took the wrong road and upset the balance between persuasion and terror that exists in any war of subversion, tipping the scale in favor of terror.

Shining Path's terror reached such extremes that the population became convinced, first, that SL was the enemy and they had to organize against it, and second, that the state was "less bad" than SL and they had to ally themselves with it against SL.

The 250,000 patrols organized against SL are not the result of the state's political persuasion effort; they are the result of SL's efforts to terrorize the populace. If we had faced a more political and less terrorist subversive movement, such as Mao's in China or the Viet Cong's in Vietnam, we would be in serious trouble right now.

SL did not grow, but not because its ideology was atypical (among impoverished people, ideological clarity is not a great concern), but because it insisted on extreme violence. The risk is that we will draw the wrong conclusions from this victory and think that since we are winning this war primarily with a military strategy, we can deal with any future subversion solely with a military strategy.

That would be dangerous, because all subversive movements learn from their predecessors. The guerrillas of 1965 adhered to the *foco* theory [the belief that the revolution will spread from a focus of insurrectionary power in the countryside]. SL learned from their failure and did not repeat it. To the extent that we fail to solve the problems that lead to subversion, we will always run the risk that the subversive phenomenon will be repeated, and that the subversives in the year 2000-something will not repeat SL's mistakes: They will not engage in terrorism, and they will seek the populace's support so that they can move among it like a fish in water, as Mao used to say.

This kind of subversion cannot be defeated simply with a military strategy. Ask the French about Indochina and Algeria; ask the South Vietnamese or the Americans about Vietnam; or ask Somoza about Nicaragua.

2. It should be noted that pacification does not end with SL's defeat. That is just a part of it; now we have to set to the task of reconstruction.

In this country there are huge political-administrative voids to fill. There are areas where there is either no state presence at all, or the Armed Forces are the only state presence. This has happened because the authorities were assassinated, or were threatened and had to leave. Mayors, judges, police officers, civil servants working for the ministries, teachers, and many others fled or were killed. There are also areas where there never has been any state presence. Now the civil state must return. The Armed Forces cannot replace the civil state, because

their presence is just an emergency solution. They cannot and should not become institutionalized.

It is imperative, then, that the civil state be reconstructed in places where it has no presence. But this must be done very carefully, because it is not a question of reconstructing the old state with all of its defects, abuses, injustices, and corruption, which are precisely what led to the development of subversion. Now that we have the opportunity, let us do it right.

The peasant patrols may be the germ of a new state here. The patrols can be the foundation of a new local police force, and of a new local judiciary, one that would be absolutely democratic because it would be elected by and would truly belong to the population. The state used to send policemen from the outside into the Andean communities, men who were ethnically, culturally, and even linguistically different. This created a situation that lent itself to misunderstandings and abuse. The same was true of judges: When the judge was from the region, he usually came from powerful local groups and imposed their interests.

Now we can avoid that by having the population elect their own judges in a manner similar to what is done with the police and the local judiciary in the United States, in a tradition dating back to the frontier days when the Indian lands were being conquered. We also have a frontier situation here, having reconquered our own territory.

Then there is the task of reconciliation. But it is not a reconciliation with Shining Path or with the Tupac Amaru Revolutionary Movement (MRTA). They have behaved like criminals, and will have to serve their penalties. The reconciliation is with ourselves. Serious human rights violations have taken place during the 13 years of war. In every country that has gone through an internal war, there has always been a dilemma between absolute justice, which would require that thousands of soldiers and policemen be put in jail, and reconciliation, which would mean punishing the most serious offenders and pardoning the rest. This has happened in Argentina, Chile, Uruguay, etc., and it will also happen in Peru. We will have to find our own equilibrium between justice and reconciliation, because forgiving all would be not only an absolute injustice, but also a mockery of the laws of the state; but trying and convicting everyone would be impossible, given the resistance of the Armed Forces and the police, and would also open up new wounds that would be difficult to heal in people who in many cases honestly believed they were doing their duty.

Carlos Tapia: Society and Politics Have Become Senderized

1. Those of us who study the phenomenon of subversive violence have always criticized the government's strategies along the following general lines:

- The indiscriminate repression of the civilian population and the so-called dirty war must be halted, because not only are these practices morally reprehensible, but they also favor terrorism in the long run.
- Relations between law enforcement and the public must be improved to encourage the public to participate in an organized manner in the counterinsurgency effort, in the areas where such participation is appropriate.
- It must be recognized that there are structural causes underlying the poverty, neglect, and injustice suffered by large sectors and regions of the country, causes which may not explain by themselves the emergence of subversive violence, but have certainly favored its development and expansion.
- Emphasis should be placed on the political nature of the subversive organizations and the need to combat them not only through military repression, but also through ideology and work with the masses—in other words, in the strictly political sphere.
- It is advisable to form a single command center to deal with this serious problem, based on a single conceptualization and uniform plans, in which the military and police would confine themselves to the enforcement efforts that fall within their purview and the civilians and politicians would focus on actions outside the military sphere, which in the long run will determine the victory or defeat of the subversives.

At the heart of all this lies the idea—hardly original, to be sure—that the strategies of the protagonists in an internal war are aimed at socially isolating the adversary as a fundamental condition for defeating him. In other words, this is their constant political objective. When the forces defending the regime challenged by the subversives achieve this objective, the state can effectively deploy all of its notorious superiority in the sphere of repression and armed action. Its triumph is unquestionable, and it is only a matter of time.

The size of the social cost to democracy as a whole will depend on how this political objective is achieved, and over what period of time.

Let the reader draw his own conclusions.

2. Pacification is not merely the victory of the counter-subversion effort at the lowest possible social cost. It also encompasses a wide variety of other problems arising out of the 13 years of internal war, and the structural causes that encouraged the development and expansion of this war should also be addressed.

Thus, for example, I am among those who believe that society and politics have become Senderized, to a certain extent. Force and violence are used increasingly to resolve different types of problems.

We have become accustomed to seeing bullies, tractors, and bulldozers used to oust poor squatters and destroy their dwellings. Many of us have armed ourselves, including everyone from businessmen to the lowliest cab drivers. Weapons are also used to resolve family disputes and affairs of the heart.

The tactic of the ambush has taken root in politics. People say one thing and do another. Dialogue and cooperation are considered synonymous with weakness. The use of force, often surreptitiously, is considered an effective way to solve problems.

With regard to the nearly 3,000 Self-Defense Committees to which a quarter of a million peasants belong, my opinion is as follows:

- In the areas where they exist side by side with drug trafficking, they should be disarmed, and their organization and collective identity should be capitalized upon to undertake local development projects.
- In the mountain areas, they should be subordinated to community authority, and should become a new factor of power that will give rise to a new sense of peasant democracy. The possibility of converting them into a local rural police force could be studied.

Concerning the future of the security forces, I think the Peruvian National Police (PNP) should be demilitarized. Specialized police corps would have to be formed, one to defend the political system and the other, the larger of the two, to protect the safety of the citizenry. Within these two corps, there would be officers devoted to prevention and those specializing in criminal investigation.

With regard to the Armed Forces, I am of the opinion that as the countersubversion effort is consolidated further, the political-military commands should cease to function. The countersubversion battalions would have to be reduced in size and the officers, now experts in irregular warfare, reclassified to undertake the tasks appropriate to a military prepared to defend territorial integrity and support national development efforts. Troop reductions, better training, and modernization of equipment should be the basic focus.

Claims of New PCP Leadership as of December 1992

94SM0139A Lima QUEHACER in Spanish Sep-Oct 93 pp 24-29

[Interview with an anonymous "supporter of PCP ideology" by Editor in Chief Hernando Burgos; place and date not given: "The Hidden Message"]

[Text] The most common reaction of Shining Path (SL) activists to the letters signed by Abimael Guzman has been to deny their authenticity or to attribute them to factors beyond the control of their apparent author (drugs, brainwashing, etc.).

But in this interview, a "disciplined supporter of the Peruvian Communist Party (PCP) ideology," as he preferred to be called, attempts a completely different interpretation. He begins by recognizing the authenticity of the documents signed by the SL leader, but he finds in them meanings and objectives that are different from what appears on the surface: What seems black is really white; what seems to go in one direction actually goes in the opposite direction; the apparent defeat is nothing more than a skillful tactical move. His logic differs not only from the initial, instinctive reaction that the letters caused among the Shining Path rank and file, but also from the reasoning usually employed by "Senderologists" in Peru.

[Burgos] In early October, the government released to the public two letters and two videos in which Abimael Guzman calls for peace talks to begin. What do you think of those documents?

[PCP supporter] That they are authentic. The letters are in his handwriting.

[Burgos] So? Did Guzman break?

[PCP supporter] From the formal political point of view, you could say that he has sold out and would have to be repudiated.

[Burgos] Is that what will happen?

[PCP supporter] Before answering that, it is worth responding to the question of where Guzman is headed. If we go by the structure of reasoning in his second letter, we find that his logic is the same as that of any party document, and that where he used to say "war," now he says "peace."

The only variation is what he says about Fujimori. Guzman is very good at tactics. I personally believe that his objective is to focus the party's attention on the problem of leadership. That may seem subjective, but when he talks in the second video about the party's problems, he speaks more slowly, as if to emphasize what he is saying. The message is directed at the new party leadership....

[Burgos] When it discusses the leadership problems, the second letter really admits SL's defeat....

[PCP supporter] Guzman is concerned about maintaining party unity. There is a struggle in the party between two factions. So when Guzman raises the banner of peace, in fact he is, by means of refusal, barring the way to rightists on the new Central Committee (CC) and to those who would raise the banners of capitulation. The position now being made public represents an effort to consolidate the left in that body because of the repudiation that position will arouse within the party apparatus.

Since the rightists will not sell out and the leftists on the Central Committee will probably repudiate the letters, there will be unanimity with regard to the new leadership.

That will become apparent in the near future as actions have a greater impact, not just increasing in number but also becoming more forceful.

[Burgos] How does the rightist orientation manifest itself?

[PCP supporter] You have to make a distinction between a rightist orientation and rightist opportunism. The former involves bourgeois positions on some issues, but in an unsystematic way. Rightist opportunism, on the other hand, is another program. In the party, the rightist orientation is manifested in the failure to take forceful action.

[Burgos] Shining Path has always regarded Guzman as the undisputed leader, a positive example....

[PCP supporter] Yes, but now he appears to be the opposite, a negative example, something that must be rejected: He is formally proposing a line contrary to the PCP line, something he knows will be rejected. But that rejection will strengthen the positions of the left, prevent the right from sliding toward capitulation, and push the CC toward a unanimous position and consolidation.

[Burgos] President Fujimori has presented Guzman as an interlocutor, but you are talking about a new leadership. So Guzman does not have the final say?

[PCP supporter] The government is using formal logic: Abimael Guzman equals the PCP. The party is following a different logic: If Guzman falls, a man falls, not the party; the fallen leader is replaced. From the organic point of view, Guzman is no longer in a position to decide anything. There is an alternate Central Committee that has become the new leadership. The recomposition took place in December of last year, when that body issued an important resolution. Later, in April-May of this year, it agreed on another document. So it is naive to think of holding a CC meeting in jail (of the incumbent members, who are now incarcerated) to formalize the party's capitulation, or at least the call for peace talks. That ignores not only the fact that there is a new Central Committee, but also that the members of the leadership are not just Guzman's parrots.

[Burgos] You would say, then, that there is a hidden message in the letters and videos.

[PCP supporter] Guzman knows that he cannot exercise effective leadership from prison; he is aware of his "uselessness." Therefore, the coded message to the party in the letters is, "Replace me." From the moment he writes those letters, he steps aside and becomes just Dr. Guzman. By acting that way, he sanctions the new leadership.

[Burgos] And what would happen to his role as leader, which Shining Path has always recognized?

[PCP supporter] The resolution of December last year, adopted by the new Central Committee, recognized the leadership of President Gonzalo (who was already in prison) and stated that loyalty was owed to him. In light of recent developments, that will have to be reconsidered. The party has understood Guzman's coded message, but it could officially "repudiate him."

[Burgos] What would that mean for the party? When will it adopt a resolution on the matter?

[PCP supporter] Denying Guzman, even rejecting him, would mean nothing for the party. The CC will probably do it, but there is no hurry. In fact, it suits the PCP's purposes to remain silent now and let the state amuse itself with what it considers an accomplishment. Fujimori is bedazzled by his "toy," his "war trophy." He thinks he has won, and he is using these events in his campaign for the referendum. But he does not realize that he is savoring a poisoned piece of candy. His hubris will lose him the reactionaries. The party, on the other hand, is more interested in urging people not to vote in the referendum, strengthening its apparatus, and consolidating its leadership. After the referendum, it will probably deal with the matter, and it will take its time evaluating it slowly and carefully, to draw the most appropriate conclusions and issue an official response.

[Burgos] What is this about poisoned candy?

[PCP supporter] It is a very subtle tactic, used by the Chinese. What appears to be a concession to the enemy is really a weapon against him, something that turns against whoever receives it.

[Burgos] How?

[PCP supporter] The focal point that justified everything Fujimori did after 5 April of last year was Abimael Guzman. The coup was the result of the pressure of the people's war, and he used the development of that war as a pretext. In the formal logic employed by the government, Abimael Guzman equals the PCP: One is the same as the other. Following that same logic, Fujimori focuses all of his efforts on combating Guzman. Well, now Guzman decides to "sell out" (sue for peace). In doing so, he "withdraws" from the scene, disappears as a focal point, and leaves Fujimori on his own.

Thus, suddenly the enemy becomes an "ally." Now Fujimori cannot use Guzman as a pretext for his countersubversion policy or for doing what he has been doing to the country. The main thing left after the coup of 5 April is the antiterrorism laws.

[Burgos] Fujimori has even said that Guzman is a sensible man. He has gone from a genocidal killer to a political leader. Does Shining Path think the letters and videos have catapulted "President Gonzalo" into political prominence?

[PCP supporter] Yes, but that is secondary. From the political standpoint, that is not important or urgent for the party or for Guzman. There is no obsession with drawing the attention of the mass media in that way. In fact, the letters and videos have another positive effect for the party.

[Burgos] What is that?

[PCP supporter] The countersubversion tactic developed by the state is aimed at disrupting the party's relationship with the masses and attracting them to the Armed Forces. After the coup of 5 April, the pressure was stepped up to achieve that objective. Now, since the letters, that pressure has eased. On the one hand, the government believes, or wants to believe, that Guzman has surrendered or will surrender; on the other hand, he is showing the public an image that is different from the monster he has usually been portrayed as.

[Burgos] The government, then, is serving Shining Path's interests....

[PCP supporter] Yes, although it is ostensibly doing the opposite.

[Burgos] Guzman has been in prison for more than a year; he is isolated there, and he has been fed certain information (captures, betrayals, etc.) that may have given him the idea that his organization has been defeated. Why not assume that he is thinking peace is the best thing for his party?

[PCP supporter] In the PCP, we always use contrary reasoning. In prison, Guzman has surely been fed negative information about the party's situation. But since he is familiar with the party apparatus, he has been able to draw positive conclusions from that information. For example, if certain leaders fell, they will probably be replaced by certain others.

[Burgos] In other words, you do not think Guzman is really proposing peace.

[PCP supporter] He is a party man, an apparatus man. The party is the fruit of Guzman. He designed the apparatus, and he is very familiar with it. He knows that the PCP has been designed, ideologically and as a party, to develop and continue the people's war.

[Burgos] Under what circumstances would Shining Path propose peace?

[PCP supporter] The PCP has no intention of suing for peace now. To talk about peace, first it has to assume power. Attaining class peace requires that the reactionaries be crushed first. Therefore, the party will not modify its strategy, which is the strategy of the people's war.

[Burgos] Is Shining Path not defeated?

[PCP supporter] The PCP is not defeated. Its most difficult moment came after Guzman's capture, but by December of last year it already had a new leadership. That leadership had to become established. What Guzman has done is contribute to that.

[Burgos] But it has suffered some severe blows. How does the party view the levels of acceptance or rejection of the war among the masses? Does it not believe that the majority have rejected the war?

[PCP supporter] In traditional logic, the acceptance of the masses is sought, but that ignores the fact that the party's line and actions are not designed to please the masses; they are intended to reflect a political logic based on a study of reality. The party's actions must adhere to that logic.

[Burgos] But you know full well that a war can be won only with the decisive support of the people. During the period prior to Guzman's capture, it was widely believed, even in some sectors of the government, that Shining Path had the initiative and was on the offensive. It also had the support of people in the popular classes: in some trade unions, shantytowns, rural areas, universities. But that picture has changed. Now the "self-defense committees" have become stronger, and vast segments of society openly reject SL and support the work of the Armed Forces. Has the populace's attitude changed or not?

[PCP supporter] There are times in war when the masses support or reject one side or the other. But that is nothing definitive; the masses can be won over. The situation today could be one of tactical defensiveness, but it is the bourgeoisie that is historically on the defensive, strategically speaking. Besides, from now on, the contradiction between the bureaucratic bourgeoisie and the consumer bourgeoisie will become more intense. The Constitution of 1979 was the fruit of a compromise between the two, but the Constitution of 1993 was drafted under the direction of the fascists in the consumer bourgeoisie. Pitted against that faction are the bureaucratic bourgeoisie and the liberal faction of the consumer bourgeoisie.

[Burgos] What do you mean when you talk about the bureaucratic bourgeoisie and the consumer bourgeoisie?

[PCP supporter] The bureaucratic bourgeoisie wants to make the state the buttress of its political program (Aprista Party of Peru, United Left). It takes on corporativist or liberal forms. The consumer bourgeoisie is what Mariategui called the intermediate bourgeoisie. It is linked to imperialism. Politically, it has a liberal wing (Popular Action, Popular Christian Party), and a fascist wing.

[Burgos] Fine, but now the government appears to have gained political strength.

[PCP supporter] The government set three basic tasks for itself: the restructuring of the state, the expansion of bureaucratic capitalism, and the annihilation of the people's war. It is having trouble carrying them out, however.

The restructuring of the state is being run by the fascist wing of the consumer bourgeoisie, which is also doing its utmost to destroy the PCP. Chirinos Soto has said, correctly, that the Constitution of 1993 did away with the socializing capriciousness of the 1979 Constitution.

Bureaucratic capitalism—imperialist investment, which does not generate an autonomous economic development that can meet the country's needs—is the result of the political impotence of the bourgeoisie, which is in control of the state. As for expanding that capitalism, the government has gotten nowhere.

As for liquidating subversion, that has not even worked with the Tupac Amaru Revolutionary Movement (MRTA). That organization must have known that its leadership would fall. With regard to the PCP, the state is confusing matters: It identifies Guzman with the party, and believes that the party is no longer a threat to the nation. The PCP will cease to be a threat when it is annihilated as a party and as an army.

[Burgos] Are Guzman's letters part of Gonzalo Thought? Are they consistent with it?

[PCP supporter] That is a difficult question to answer. In fact, they represent a tactical move, not a coherent body of doctrine. Seen in this way, neither the letters nor Guzman's recent actions can be part of Gonzalo Thought. Nor is it certain that they can be incorporated into that thought, because they could serve as justification for opportunistic acts.

[Burgos] Where do these actions fit in, then?

[PCP supporter] Guzman's situation is unique in the history of communism, since he is the imprisoned leader of a communist party at war. I do not think he has sold out. When a person sells out, he betrays his comrades. If the PCP assumes power and conducts an evaluation of Guzman, that act will be part of the party's political struggle.

[Burgos] Do you think there will be a third letter?

[PCP supporter] I presume that the history of the letters will end when Fujimori's campaign for the referendum is over. At most, there will be one more letter. I think it is unlikely they will ask Guzman to surrender.

[Burgos] Your faith is almost religious, is it not?

[PCP supporter] Supporting the PCP is a kind of lay religiousness, and as with all religiousness, there is conviction and there is faith. What is more, I have expressed a personal opinion to you about the letters. If we meet again after the PCP leadership takes a stand on this, my responses will be those of the party. I am not a member of it, but a disciplined supporter of its ideology.

Uruguay

Communist Party Holds Congress, Issues Declaration

PY1712165393 Montevideo EL OBSERVADOR ECONOMICO in Spanish 7 Dec 93 p 6

[Text] The San Pablo Forum, which groups the continent's leftist organizations, could possibly convene soon in Uruguay. This was announced on 3 December by German Sanchez, a member of the Central Committee of the Cuban Communist Party (PCC), during the opening session of the 23d Congress of the Communist Party of Uruguay (PCU).

Several of the parties and organizations that make up the Broad Front (FA) are participating in the San Pablo Forum, but the coalition as such is not taking part because Deputy Francisco Rodriguez Camusso vetoed the membership of the FA.

Luiz Inacio Lula da Silva, president of the Workers Party of Brazil, visited our country at the beginning of the month at the invitation that Liber Seregni, the FA's president, made during the last meeting of the Forum in Havana, Cuba. On that occasion Rodriguez Camusso lashed out at the procedures, and reiterated his criticism of the organization, which, he said, is made up of marxist organizations.

"Maybe we can meet here," Sanchez told the PCU congressmen, and highlighted the fact that the Forum "is an example of how revolutionaries and patriots have been able to hold these meetings, despite disagreements, in order to face current times."

In the political report that she gave at the opening, Marina Arismendi, the main communist leader, also highlighted the joint work at the continental level of the leftist forces.

In the final declaration of the Congress, the PCU calls upon its militants to build a "party that honors its best internationalist traditions, a party that supports Cuba and its revolution that has been assaulted by imperialism, and a party that contributes the best of itself for the unity of the continent's progressive forces within the San Pablo Forum."

Lacalle: Repeal of Articles in Plebiscite 'Step Backward'

PY1812143393 Montevideo EL OBSERVADOR ECONOMICO in Spanish 13 Dec 93 p 6

[Excerpt] Now that a year has elapsed since the plebiscite that repealed five articles of the law on state-owned enterprises, the leading protagonists of that day—with the exception of Montevideo Mayor Tabare Vazquez—have acknowledged that it has not been possible to fulfill the objective of reforming the state.

Members of the two opposition parties had deemed it necessary to effect a change in the government's policy. Former President Julio Sanguinetti declined to comment on the subject.

President Luis Alberto Lacalle noted that "seeking to inflict a blow on the government, the opposition dealt a blow to the country itself." He termed the result of that plebiscite "a step backward," adding that he "had a clear conscience." He conceded that "we felt the blow, and all of the country suffered because of it."

Taking stock of the abrogation of the aforementioned articles of the law on state-owned enterprises, the president told EL OBSERVADOR ECONOMICO that "I have the feeling that the opposition sought to inflict a blow on the government, but ended up by dealing a blow to the country itself. A law passed by Congress, it was more than a year [as published], we missed a magnificent opportunity to give a formidable push to our telecommunications sector with the support of private capital and leading-edge technology, and to obtain private investment for public works."

Lacalle added that "we also missed the possibility of obtaining a considerable amount of financial resources from the partial sale of Antel's [National Telecommunications Administration] capital stock. The proceeds of that sale could have been used for making great and necessary social investments in our country, which have been relegated for decades and which our government is making, thanks to a great effort by all people."

The head of state pointed out that "the long and short of it is that we have gone backward and the only satisfaction we have is that we have done it democratically."

"And yet I wonder how, from a democratic standpoint, it is possible to make so many promises to effect a true reform of public companies and then end up by honoring very few of them," he added. [passage omitted]